

CANADIAN
Taxpayers
FEDERATION

Fighting for taxpayers

May/June '00

THE TAXPAYER

Exposing Waste

At the
**Atlantic Canada
Opportunities
Agency**

In this issue:

- ▶ CTF Major Study Release -
10 Years of ACOA: The Lost Decade
- ▶ 2nd Annual Teddy Waste Awards
- ▶ 2nd Annual Gas Tax Honesty Day

May/June '00

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Information:

The Canadian Taxpayers Federation (CTF) is a federally incorporated non-profit organization. Our three-fold mission is: 1) To act as a watchdog, and to inform taxpayers of governments' impact on their economic well-being; 2) To promote responsible fiscal and democratic reforms and to advocate taxpayers' common interests; 3) To mobilize taxpayers to exercise their democratic responsibilities. Founded in 1990, the Federation is independent of all partisan or institutional affiliations and is entirely funded by free-will contributions. *The Taxpayer* is published six times a year. For more information write the Canadian Taxpayers Federation at the administration office noted below or phone our toll-free number: 1-800-667-7933 or fax 1-306-352-7203. All material in *The Taxpayer* is copyrighted. Permission to reprint can be obtained by writing the administration office. Editorial cartoons are used by permission. Printed in Canada. Member of the Better Business Bureau.

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Troy Lanigan

Troy is the National Communications Director for the Canadian Taxpayers Federation

It's the spending stupid. Or should I say it's the stupid spending?

Either way, the message is lost on our political leadership in Ottawa. So we're going to keep repeating it ... over and over and over again.

This past April your CTF held its annual planning and strategy meeting. After reviewing our supporter surveys and discussing priorities from across the country, we concluded that more time and energy needs to be focused on scrutinizing government spending.

Yes the debt needs to be addressed and without a doubt taxes are far too high. But these two priorities fall into place a lot easier if governments quit abusing and wasting our tax dollars.

One of the downsides of budget surpluses, as we've learned in the last few years, is the cavalier attitude with which tax dollars are thrown around ... look no further than the nominees and recipients of our annual Teddy Waste Awards on page 9, or the annual Auditor General's report on page 10.

The bottom line is that the best long-term prospect for lower taxes is for governments to get their priorities straight!

Consistent with your CTF's dogged determination to end corporate welfare, this issue's cover story examines yet another spending boondoggle — the Atlantic Canada Opportunities Agency (ACOA). It represents the first in a series of studies on regional de-

velopment agencies planned by your CTF.

And we're not talking peanuts here folks! ACOA has doled out \$2.6-billion of your tax dollars over the past decade.

As guest columnist Fred McMahon aptly summarizes " ... if this model of economic development works ... then how come Atlantic Canada is not the most prosperous place on earth."

The fact is, regional development agencies don't work. And no, it's not a matter of 'improving efficiencies.' It's a matter of ending stupid spending by shutting down ACOA and its regional cousins. Period, full stop.



As this issue of *The Taxpayer* was going to print, news broke of yet another behind closed-doors deal being cooked up to sweeten MP compensation once again.

Rumours suggest enhanced severance allowances and another "opt-in" window for MPs currently not registered in the gold-plated pension plan to hop back in.

Supporters of the CTF will recall the last "summer of discontent" in 1998 when the CTF targeted radio ads at pension friendly MPs. Thanks to CTF pressure, many stayed out. By the time you read this we may be back at it again. Stay tuned to *TaxAction* and our web site at www.taxpayer.ca for up-to-date information on this developing issue! ■

Letters to the editor

Bureaucratic nightmare

Kee up the good work! I have been reading the latest edition of *The Taxpayer* and like always my blood pressure goes up. I hope the government learns soon, as I say goodbye to my sixth close friend this week who is heading to another country for a better tax situation.

Just wanted to let you know that I called Jane Stewart's office to voice my concerns over the waste in her department and the following is the runaround I went through:

1. I was transferred to a "department" who would handle my call;
2. The department was the Office of Public Inquiries;
3. The Office of Public Inquiries told me my concern would be passed on to a supervisor;
4. The supervisor would then pass my concern on to a "group";
5. And, if I left my name and number I might get a call back.

Four people to handle my call. Who is paying for that? A response is pending and I will let you know.

*Jim Rieder
E-mail, Alberta*

More NHL

First of all I just want to thank you for letting me "give it to you" and for your response to the hockey issue. I was just another Canadian frustrated by the way our taxes are wasted. My belief is that if businesses like

the Ottawa Senators were to leave how do we make up those lost tax dollars?

The reason I am sending you this e-mail is to say that I think that your organization is a GOOD ONE. Walter Robinson hit the nail on the head by saying that the debt should be reduced even further. I don't spend money on anything unless I know I can pay for it in a reasonable amount of time.

To conclude, we took care of our hockey team locally (you probably heard). I just wanted to say to you that I support the CTF, especially after budget day. I checked out your website and agree with what your organization stands for. I hope you can forgive me for calling you "socialists." See, your responses didn't go to waste, keep up the good work! I will be checking your website more frequently and signing your petitions.

*"Zamboni Driver",
E-Mail, Ottawa, Ontario*

It would be extremely selfish to expect fellow taxpayers to subsidize me with respect to getting my regular adrenaline fix. Spectator sports are not exactly in

the same category as basic medical care, so why not take a "user-pay" approach where addictions are concerned?

I enjoyed playing hockey as a teenager, and would have pursued it as a career if I'd been any good at it. The hockey players I know have a great love of the game, to the extent they would play it just to earn a living, let alone amass a fortune. Therefore, the joke is on a public that continues to pay an exorbitant price for a ticket to a hockey game. There is really no need for enormous salaries and the associated high price of tickets, to encourage persons to pursue a career of professional hockey.

Besides there are more pressing needs to be addressed with our hard-earned tax dollars than subsidizing multi-millionaires, whether they are the people on skates or the ones who own the team.

*Gary Litschke,
Calgary, Alta*

ACOA Report

Excellent report, keep up the good work on behalf of all oppressed Canadian taxpayers.

You must connect the dots between wasteful government spending on grants and contributions at the expense of stable core funding for essential services such as health care, education, social programs, and just as important: tax relief.

You must tell Canadians that it is a zero sum game to squander billions of hard earned tax dollars

Letters to the editor

Letters to the editor may be edited for length and content. They can be sent to *The Taxpayer*, 105-438 Victoria Ave. East, Regina, SK, S4N 0N7
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Fax: 306-352-7203

THE TAXPAYER

on bogus grants to Liberal Party hacks of questionable character and industry for political gain.

This arrogant contempt for our tax dollars has been going on since 1977 when Trudeau and his right hand man Chretien spent like drunken sailors to perpetuate Liberal governance in Canada. Think how high our standard of living would be right now and how improved our social programs and health care would be if politicians had not wasted our money.

You do all Canadians a service by exposing this travesty. Please keep it up because it is morally wrong. By not being fiscally responsible, the government is being socially irresponsible.

HRDC, HEPC, EDC, ACOA,

RCMP investigations ... enough already!

Steve Sanderson, E-mail

Federal Budget...

Thanks, thanks, thanks, thanks, thanks, thanks, thanks, and one million more of these for forcing the Liberals to do this budget. It is not where it needs to be but because of you guys the ball has started rolling in the right direction. Congratulate everyone for a job well done! Continue your work to put common sense and accountability back into government.

Rick Sand, E-mail

Saw your website

I dialed up your website today after seeing your URL on a billboard along the Pat Bay Highway north of Victoria. I'm pleased SOMEONE is taking an interest in the issue of taxation. Thank you.

I'm looking into joining your organization shortly, and look forward to promoting your cause.

*Dale P. Leier,
Victoria, BC*

Reduce Government debt

Every Canadian that uses the net should take a good look at your web site.

Canadians should know what our national debt is but we don't because we have been getting dishonest federal budgets. The debt

is dramatically understated because it omits other forms of debt such as unfunded pension liabilities and liabilities of Crown Corporations. All budgets should clearly state our unfunded liabilities and total debt.

Pay down the federal debt until the principal balance is zero and Canadian taxpayers no longer have to pay interest on the debt.

Bring all government pensions in line with the private sector, starting with the gold plated pension plan for MPs.

The government should produce its accounts so Canadians can clearly see how much they owe. There must be transparency in the activities and processes of government.

*Edward Diebel E-mail
North Bay, Ontario*



WASTE

Tattoos to go

In a recent ruling the Quebec Superior court ordered the provincial government to pay the cost of removing a man's tattoo.

This unelected body decided that the removal of a tattoo from Alain Desbiens' arm was in fact a medical procedure and not a cosmetic one. Apparently, Mr. Desbiens no longer liked the tattoo which he had put on his arm in his younger days and was now beginning to cause him 'undue stress'. When medicare refused to cover the cost of the operation — upwards of \$5,000 — Desbiens took the government to court.

After the victory, Desbiens' lawyer claimed this ruling will open the door for others to have tattoos removed at taxpayers' expense.

Ironically, it was just a few years ago that this publication reported on a government grant to setup a tattoo parlour — now they're paying to remove them!

Edmonton Journal

Sorry, Copps hasn't retired

With the HRDC scandal and Prime Minister Jean Chretien's keystone cop routine in the Middle East, people had almost forgotten about Sheila

Copps and the shenanigans

at Heritage Canada. Many were hoping she had retired. Well, unfortunately... she hasn't.

This past spring, internal auditors at

Heritage Canada expressed concerns about a \$4.8 million grant given to a little known organization called Option Canada. Option Canada had been created just prior to the 1995 Quebec referendum by officers of the heavily subsidized Council for Canadian Unity (CCU).

The Option Canada grant, it appears, broke nearly every significant accounting rule put in place by Heritage Canada. And that alone says alot.

The money was rushed out to the new organization in less than a month but within a few weeks of receiving it, Option Canada was disbanded and merged into CCU. Hmmm.

Auditors suggest the \$4.8 million given to Option Canada had simply disappeared in the process.

National Post

Out for coffee

Better put down your coffee before you read about the latest project exposed by an internal audit of Human Resources Development Canada grants.

According to the audit, the Liberal government provided a \$300,000 grant so troubled-youth could learn to repair such things as espresso makers and Slush Puppy machines.

The students were sent on six month courses in the United States to companies like Chock-Full-o-Nuts, a coffee roaster in New York City to learn the nuts and beans of the coffee business.

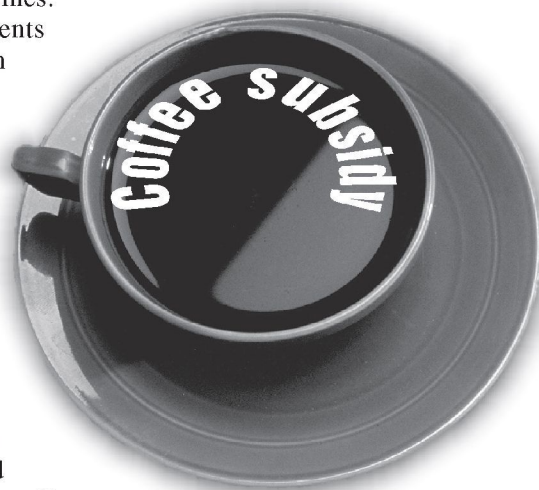
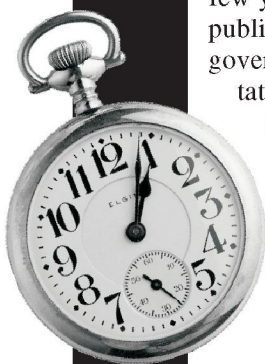
According to the audit, of the 20 youth who took the course only 4 actually found work.

National Post

Subsidizing Terrorism

Over the past year, Canada has gained notoriety as a safe haven for terrorists.

Not only are terrorists seemingly able to ply their trade



WASTE

with relative immunity in this country, but now we find out they are eligible for government financial assistance to boot!

Take the case of alleged terrorist Abdelmajid Dahoumane who disappeared when US officials suspected he may have been involved in an attempt to bomb millennium celebrations in Seattle, Washington. The U.S. government has offered a \$5 million reward for information leading to Dahoumane's arrest.

Despite these allegations, Ottawa sent Dahoumane a quarterly GST rebate and the Quebec government sent him a monthly welfare cheque.

Though no one claims to know Dahoumane's whereabouts, these cheques have not been returned to their respective governments.

If Canadian officials could catch this guy and turn him over to US officials before he gets mired in Immigration Canada's multi-decade appeals process, we might be able to collect the reward.

National Post



Is history repeating itself?

This past December, Toronto-based Spar Aerospace announced that it would remain in business. This announcement surprised many business watchers who expected the aerospace corporation to shut its doors. Leading up to the announcement, Spar was trying to sell off its last remaining business — aviation maintenance services.

It is a sad testament to the longevity of business



Who really needs a doctor?

subsidies. Since the company was formed in 1967, the feds have handed it over \$169 million in your tax dollars. But despite this financial assistance, the company was not a roaring success.

Perhaps, this should come as no surprise. Spar Aerospace was created when the research management team of a company called de Havilland broke off to form a new company. de Havilland had received nearly a half-billion in business subsidies from Ottawa, but this was not enough to keep it going. In 1974, the remaining assets of de Havilland were purchased by the federal government and then sold to the Ontario government and Montreal-based Bombardier.

It proves that if you need a subsidy to start a business, you will usually need one to keep it going.

Globe and Mail

Medicare needs a doctor

One of the major problems facing Medicare is the perception that "it's free." A study of the emergency room at St. Paul's Hospital in Vancouver is a case in point.

The report, published in the Canadian Medical Association Journal found that 24 patients at St. Paul's Hospital had used the emergency room 616 times in one year. Local medical staff referred to these people as "frequent flyers." Some visited the ER up to three times a day. Others came with suitcases in hand with the obvious intention of visiting for awhile.

Hmm... wonder if these "flyers" would be as "frequent" if they were picking up their own bills

WASTE

instead of someone else.

National Post

Canada Rocks

An internal audit of the Canadian embassy in Mexico uncovered some interesting expenditures.

According to the audit, the embassy lost 70,000 of your tax dollars when a rock concert it was promoting in Mexico City was suddenly stopped. The embassy was trying to set up a festival known as "Canada Rocks" featuring Canadian rock musicians.

When the concert was cancelled, taxpayers were left holding the microphone.

The audit also uncovered other interesting expenditures such as providing employees with subsidized holidays to tourist resorts and a satellite system worth \$11,000 so they could watch cable TV.

National Post

Money laundering?

The British Columbia government has once again justified its reputation as the most incompetent government in Canada. The latest episode involves giving a \$20,000 provincial business subsidy to a laundromat.

Under the government's Co-op Advantage Program, Urban Spin Lounge-Laundrette Co-operative received a grant to help establish a laundromat in Victoria. One of the features of the

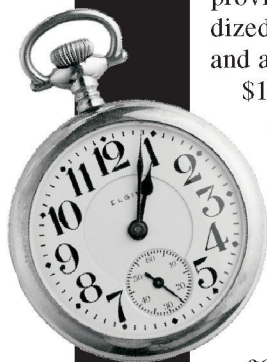
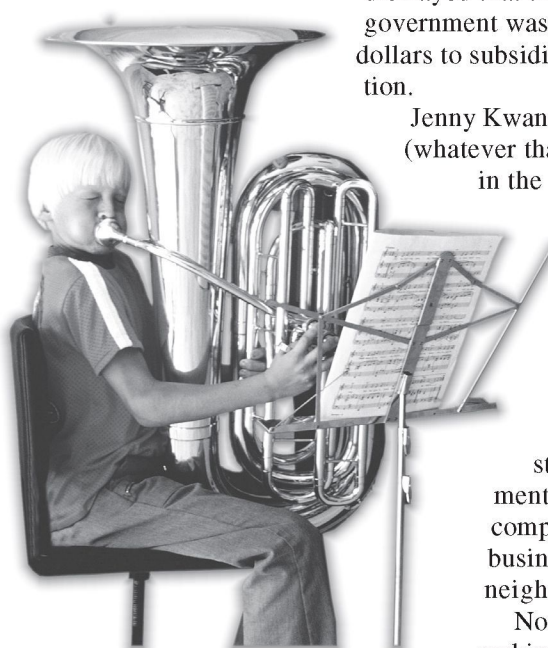
new Urban Spin laundromat is that it will offer internet access and food to its patrons.

Other laundromat owners in Victoria were dismayed that the provincial government was using *their* tax dollars to subsidize *their* competition.

Jenny Kwan, Co-op Minister (whatever that means), stated in the government's

news release that the new co-op laundromat will not hurt its competitors. "The worker co-op structure complements, rather than competes with existing businesses in the neighbourhood."

No folks, we're not making this up.



Two Guinness Records?

This past May, over 6,400 musicians played *O Canada* in BC Place Stadium in Vancouver. This group was brought together under the direction of the Vancouver Symphony. The goal was to break the Guinness record for the largest assembly of performers — a record previously held by a group in Birmingham, England who brought together 3,503 performers.

It should come as a surprise to no one that governments saw the event as a priority. The feds kicked in \$120,000 under a millennium madness grant and the BC government threw in \$25,000. The total cost for the venture was \$300,000 which included renting BC Place.

Gee ... does this qualify Canada for a second Guinness record in wasting tax dollars?

National Post

A Double-Edged Cream Pie

A \$112,400 grant to a festival called Symfolium held in Montreal April 1 to 9 has caused much consternation to taxpayers in the province of Quebec.

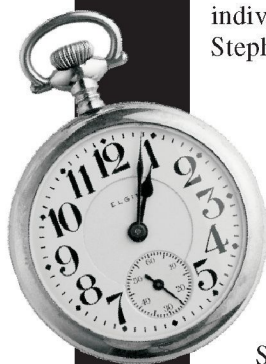
WASTE

The symposium was sponsored by so-called 'pastry terrorists' and 'comic activists'. Much of the attention, however, focused on the pastry terrorists who specialize in throwing cream pies at people they consider to be ego maniacs.

The list of people who have been creamed include Stephane Dion, federal Intergovernmental Affairs Minister and former Quebec Premier Jacques Parizeau.

Ironically, while government provides subsidies to assist 'pastry terrorists', the justice department, also paid for by taxpayers, prosecutes those who actually do it. The Department of Justice recently charged the two individuals who 'creamed' Stephane Dion.

Montreal Gazette



Sprucing up her Image

Embattled Human Resources Minister Jane Stewart has a image problem.

It was her department that handed out billions of dollars in grants much of it unaccounted for and subject to several investigations.

Stewart has gained a reputation of not having have any idea of

what's going on in her department.

So to correct this image problem, it was de-



cided that a professional communications company should be hired to help "spruce up" her image.

It was an expensive make-over as the company billed taxpayers \$23,300. Hey Jane ... we think you should ask for our money back!

Edmonton Sun

Political correctness gone mad

Here is a story from south of the border to good to pass up. For those who think Canada has a monopoly on political correctness -- think again.

State University New York in Albany objected to the use of the word "picnic" in reference to an event honouring Baseball Hall of Famer Jackie Robinson, claiming that the word "picnic" might have originally referred to lynching blacks. Actually, Picnic comes from a 17th-century French word for a social gathering in which each person brings a different food.

Nonetheless, affirmative action director Zaheer Mustafa issued a memo ordering student leaders not to use the word "picnic," stating, "Whether the claims are true or not, the point is the word offended."

The university changed its wording in announcements for the event, calling it an "outing" instead of a "picnic." Then homosexual students objected leading to that word being banned.

In the end, the event was publicized without a noun describing what was going on.

Federal Digest



2nd Annual Teddy Waste Awards

The Canadian Taxpayers Federation (CTF) presented the second annual Teddy Waste Awards at a black-tie news conference on Parliament Hill on March 23, 2000. Once again CTF Federal Director, Walter Robinson acted as Master of Ceremonies.

The *Teddies* are named after Ted Weatherill, a former senior public servant who was terminated in 1999 for "expenses incurred by him ... incompatible with his position as Chairman of the Canada Labour Relations Board," according to the Office of the Minister of Labour.

The Teddies are awarded annually to a public office holder, civil servant, or department, that most exemplifies government waste, overspending, over-taxation, excessive regulation, lack of accountability, or any combination of the five.

"Unlike the Oscars or the Grammys, it's a shame just to be nominated for a Teddy," stated Robinson. "This year was an exceptionally good year as all the nominees exhibited the requisite qualities of waste or mismanagement and these qualities were augmented with varying degrees of arrogance and contempt for hard working taxpayers."

"Sadly, a good year for the Teddies means it was a bad year for taxpayers," added Robinson. "On the fiscal side, each tax dollar wasted represents a lost opportunity for further tax cuts or debt reduction. And on the program side, each wasted dollar represents money that could have been put toward a hospital bed or school textbook."

Federal Nominees:

Best Ensemble with Comedic Writing - Minister Jane Stewart and Jean Chretien for their laughable defense of the HRDC job grants scandal.

Best Taxpayer Horror Film - HRDC job grants scandal: the internal audit and the funding of dubious ventures and bankrupt companies.

Best Movie: HRDC and the Police Investigations - HRDC job grants scandal: 19 police investigations and alleged violations of the *Financial Administration Act*.

Best Screenplay with 4,000,000 Possible Sequels -



HRDC for its lack of management and tracking of Social Insurance Numbers.

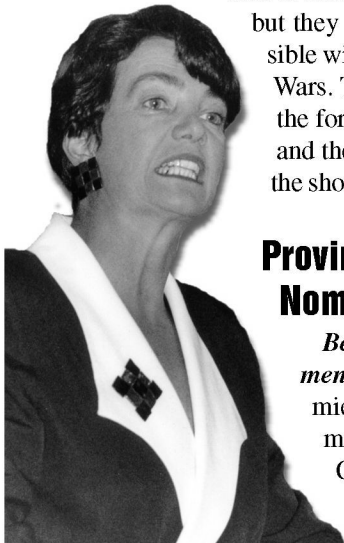
Best Federal Example of Y2K Bandwagon Stupidity - The Millennium Bureau of Canada and its \$143 million funding of Y2K initiatives.

Winner: 

Human Resources & Development Canada
for its Horror Film: The Jobs Grant Scandal.

"While this category was difficult to judge, the police investigations or the comedic performances by the Minister and Prime Minister would not have been possible if not for the public release of the internal audit," said

Robinson. "It's similar to the Empire Strikes Back or Return of the Jedi, both were great films but they would not have been possible without the original, Star Wars. The only difference is that the force is not with taxpayers and the dark side is still running the show at HRDC."



Provincial/Municipal Nominees:

Best Ensemble in a Documentary - Newfoundland Premier Brian Tobin and his 16-member taxpayer-funded Cabinet retreat cruise.

Best Taxpayer Horror Film - City of Edmon-

ton for councillor pay hikes, councillor pensions and car allowances.

Best Screenplay Sequel - Government of British Columbia - Fast Ferry Fiasco: The Audit.

Best Provincial Example of Y2K Bandwagon Stupidity - Government of Ontario for the Millennium Memento book.

Best Movie: Mr. Potatohead (Saskatchewan Version) - Government of Saskatchewan and the Spudco debacle.

Winner: 

Winner: Government of British Columbia
for the Fast Ferry Fiasco: The Audit.

"This is the second year in a row that the BC government has walked away with top honours in the Provincial/Municipal Teddy category," noted Robinson. "While it took an iceberg to sink the Titanic, it only takes a strong gust of wind, small logs and some seaweed to keep the not-so-fast ferries in dry-dock. All the while BC taxpayers will drown in the debt and red ink of this fiasco."

Lifetime Achievement

A **Lifetime Achievement Teddy** was given in-absentia to Heritage Minister Sheila Copps for her legacy of anti-taxpayer initiatives. "From her promotion of a CBC surtax to her support for the creation of the Canada Information Office to her defense of taxpayer funding of porn films to overseeing an Agency planning to engage in the ethnic cleansing of fish in Banff, Ms. Copps has built a legacy of defiance of taxpayers interests," concluded Robinson. ■

The 2000 Auditor General's Report: New Millennium, Old Wasteful Spending

By Walter Robinson

At the risk of belittling the hard work of the Auditor General (AG) and his staff, the spring 2000 version of his report is hardly earth-shattering. Yes, the report is damning. But outside of providing fodder for a day of

question period and the ensuing 12 to 24 hour media circus, it will be ignored by the government ... sadly just like all the others.

In the past, government spin-docs feared the AG's revelations, but today they are a mere annoyance to be managed. The new government

strategy for dealing with the report is a combination of extra-strength Tylenol, feigned concern and delaying dinner reservations by an hour.

Question period on the day of its release this year was typical as Minister after Minister rose with the same platitudes. "Indeed, Mr.

Speaker, I read the report with great interest" ... "Mr. Speaker, we welcome the AG's findings and pledge to work harder" ... "but Mr. Speaker, let's look at the positive comments from the AG." This message track has been standard operating procedure in government circles for the past 15 years.

So while it is clear that Ministers don't take the report seriously, taxpayers deserve to know about the dirty underbelly of how their tax dollars are wasted -- so here it is:

Chapter 2 – HRDC

One in three Canadians uses the services of HRDC each year. HRDC runs over 320 centres across Canada and maintains 5,000 self-service kiosks, 21 telephone centres and 10 mail centres. It processes almost 80 million applications, mails 100 million letters annually and pays out \$50 billion in annual benefits (CPP, OAS, EI, etc.).

While the volume and numbers sound impressive, actual service to Canadians is another story, especially if you want to complain. The AG found that local offices do not consistently inform clients about performance toward service delivery targets, the cost of services, and how to lodge complaints about the service received and obtain redress.

Chapter 3 – Citizenship & Immigration

Well surprise, surprise, the AG found that immigration screening is lax and inconsistent. The AG notes that "visa officers need better selection criteria ... train-

ing and better tools to assess immigrant applications ... the Department does not sufficiently monitor the quality of its decisions." He also notes that these problems coupled with 40-year old medical screening protocols for immigrants puts the health and safety of Canadians at risk and that the system is "vulnerable to fraud and abuse."

Chapter 4 – Indian and Northern Affairs

Here's another one from the "you call this news?" file. The AG found that this department

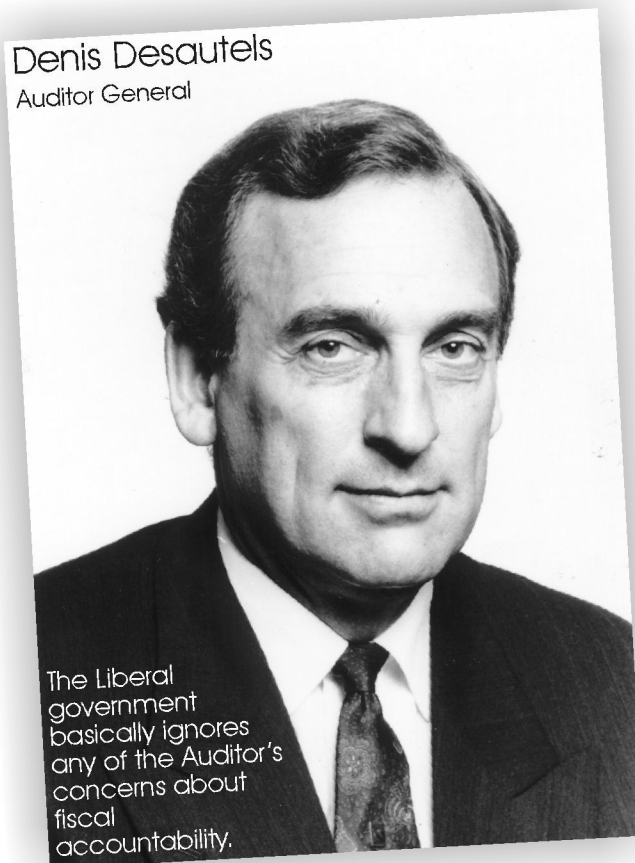
take over 20 years for them to reach parity in academic achievement with other Canadians." The AG also noted that this issue is nothing new ... it has been studied for 20 years including 22 separate studies from 1991 to 1999.

Chapter 6 – Finance and the Canada Customs and Revenue Agency (CCRA).

Can you say corporate welfare boondoggle? In 1997 alone, "about 11,000 corporations and individual taxpayers claimed over \$10 billion in scientific research and development expenses and over \$2 billion in tax credits." And the AG revealed that an evaluation by CCRA and Finance showed that the R&D tax credit expenses program only "generated a net increase in Canada's real income of between \$20 million and \$55 million per year." As the *Ottawa Citizen* noted on its front page, *Billions go out, millions come back.*

In total the AG's first volume of his 2000 report contained nine chapters putting various departments and their activities under the microscope. Sadly though, this work will change little. This is not cynicism, just realism.

Consider Mr. Desautels introduction: "what is most worrisome is that some of the most serious problems we found are the same ones reported, by this Office and others, ten or more years ago. These problems need action now." ■



spends \$1 billion annually to educate 117,000 First Nations students but doesn't know if the money is actually going towards education. The AG noted that progress in educating native students is "unacceptably slow. At the current rate of progress, it will

AROUND THE CTF

Each month CTF offices handle hundreds of media interviews, hold press conferences, make presentations to governments and issue regular news releases and reports to advocate the common interest of taxpayers. The following is a summary of CTF activities from February to April, 2000:

February

FEDERAL: While containing unnecessary new spending and little action on the debt, the CTF celebrated two huge victories in the federal budget with the announced phase-out of the 5% surtax and immediate elimination of bracket-creep. For the past two years the CTF has led national campaigns demanding an end to bracket creep. Credited by media around the country and even by the Finance Minister himself, the CTF won a huge victory for taxpayers!

MANITOBA: The Manitoba Lower Tax Commission adopted several CTF recommendations in its final report submitted to the provincial legislature including de-linking provincial taxes from the federal system, a single 11% income tax rate, basic personal exemption

of \$11,600 and elimination of bracket creep.

SASKATCHEWAN: The Personal Income Tax Review Committee adopted several CTF recommendations in its final report submitted to the provincial legislature including elimination of the off-reserve PST exemption for natives, de-linking provincial taxes from the federal system, increasing the Basic Personal Exemption, and eliminating bracket creep.

MANITOBA: As part of its pre-budget submission, CTF director Victor Vrsnik met with Finance Minister Greg Sellinger and later

MARTIN CUTS TAX, KILLS 'BRACKET CREEP'

Premier Gary

Doer to push for an income tax reform model, immediate attention to the deficit and reduction of the province's debt.

BRITISH COLUMBIA: Dubbing it the "14 Step Recovery Program" the CTF submitted its pre-budget submission to Minister of Finance Paul Ramsey. However, unlike the two other NDP governments in Canada, this Minister refused to discuss the CTF's submission in person.

SASKATCHEWAN: As part of its pre-budget submission CTF director Richard Truscott met with Finance Minister Eric Cline in a sometimes heated one-hour meeting. Central in the CTF's submission this year was the need to sell the province's crown corporations in order to reduce debt. Money freed up in interest payments could then go toward lower taxes.

ONTARIO: CTF Director Walter Robinson made a pre-budget submission before an all-party Finance Committee at Queen's Park. The CTF's submission focused on tax relief (including an end to provincial bracket creep), debt reduction, privatization, gas taxes and legislated debt retirement.

February 2000 Activity Report

Office	Media Interviews	Events/Speaking /Releases
Ottawa	241	18
Alberta	147	12
BC	87	12
Sask	73	17
Manitoba	54	6
Ontario	23	8
Totals	625	73

March

NATIONAL: The second annual Teddy Waste Awards were presented at a black tie news conference on Parliament Hill. Recipients in three categories included Human Resources Development Canada for the 'Billion Dollar Boondoggle,' the BC government for its 'fast ferry debacle' while Sheila Copps received a 'lifetime achievement award.'

NATIONAL: In Edmonton, the CTF formally filed in federal court for intervenor status in the Treaty Eight taxation case. The aboriginal plaintiffs in the case claim they should be exempt from paying all taxes, anywhere in Canada. The CTF will, on constitutional grounds, argue for the equal treatment of Canadian taxpayers regardless of race.

SASKATCHEWAN: The provincial budget offered lots of promise for future tax relief and tax reform but little in the way of immediate relief. However, one big CTF victory was won on budget day when the native PST exemption for off-reserve purchases was ended. Weeks earlier CTF director Richard Truscott had delivered a 29,000 name petition demanding the same.

ALBERTA: CTF director Mitch Gray held a joint news conference with Opposition Treasury Critic Howard Sapers urging support of private members bill 211 which seeks to subject any tax increase or new tax to a province-wide referendum. Gray challenged all members of the legislature to sign a *Taxpayer Protection Pledge*.

BRITISH COLUMBIA: The CTF reacted unfavourably to a BC budget which increases spending, increases debt and offers no plan to balance the budget.

April

ALBERTA: While the CTF's recommendation of a \$500-million tax cut failed to find it's way into the province's February budget, continued pressure by the CTF finally led to legislation reducing the province's new single tax rate. The new rate of 10.5% (down from 11%) accompanied by

an increase in the Basic Personal

Exemption to

\$12,900 (up from

\$11,620) will save Alberta's

taxpayers an additional \$430-million a year starting in 2001.

FEDERAL: CTF federal director Walter Robinson made two presentations before Senate Committees. The first was on Bill-C2 the *Election Act* in which the CTF opposes restrictions on citizens and citizen groups from advertising their opinions during elections, and the second was on Bill S-13 in support of whistleblower legislation.

NATIONAL/SASKATCHEWAN: The CTF celebrated its ten-year anniversary by holding a dinner in its founding city of Regina. Nearly 100 guests from across the country joined in the celebration. Several speakers and awards were presented along with the debut of a new CTF promotional video.

Petition says tax Indians

By MARK WYATT
of The Leader-Post

The Canadian Taxpayers Federation (CTF) has released the undersigned petition and claims that exempting First Nations residents from paying the PST is a "racist" policy.

CTF spokesman Richard Truscott said the petition, which has 29,000 signatures, should be based on economics and not on politics, said Truscott. "We should be starting from a point that all people, regardless of skin colour, are equal under the law."

Truscott urged the government to accept a recommendation from the Vinz Income Tax Review Committee, saying the PST collection from First Nations people is a "racist" policy.

He said people must realize that if the government starts charging the PST on off-reserve purchases, it will give reserve-based businesses a commercial advantage and hurt the rural economy.

The CTF's petition office shows 29,000 signatures.

March 2000 Activity Report

Office	Media Interviews	Events/Speaking /Releases
Ottawa/On	104	17
Sask	98	8
Alberta	72	15
BC	59	13
MB	33	11
Totals	366	64

April 2000 Activity Report

Office	Media Interviews	Events/Speaking /Releases
Ottawa	61	18
Manitoba	48	11
Alberta	48	11
Sask	47	5
BC	31	10
Ontario	26	8
Totals	261	63

2nd Annual Gas Tax Honesty Day

By Walter Robinson

Road rage is spreading

across the country. But it's not obnoxious drivers that have motorists overheated, it's the price of fuel.

To that end, your CTF held press conferences on May 18th across the country as part of our Second Annual Gas Tax Honesty Day to expose the truth about government tax gouging at the pump.

A new report expanded on last year's effort and includes province by province breakdowns of provincial gas tax levels and comparisons to what each province returns (of its gas tax revenue) back to road construction and highway development.

In addition, CTF staff announced a summer-long petition drive (over 10,000 collected already) and an education/participation campaign to track gas prices in several Canadian cities. Using the CTF's award winning web site (www.taxpayer.com), we will track gas prices before, during and after all five summer season long weekends right through until Thanksgiving to see for ourselves whether prices rise or fall around long-weekends. Please participate by filling out the required information for your city each long-weekend this summer.

Even with price spikes over the spring and into the early summer of 2000, between 40% and 50% (depending in which province you reside) of what you pay at the pump each time you 'fill 'er up' is tax. And this doesn't include all the taxes "big oil" pays to get the product out of the ground and into your tank. In spite of this fact, federal and provincial politicians continue to peddle myths about the so-called causes of high gas prices. Here are just a few of the favourites of

our elected friends ... and of course, CTF research to set the record straight.

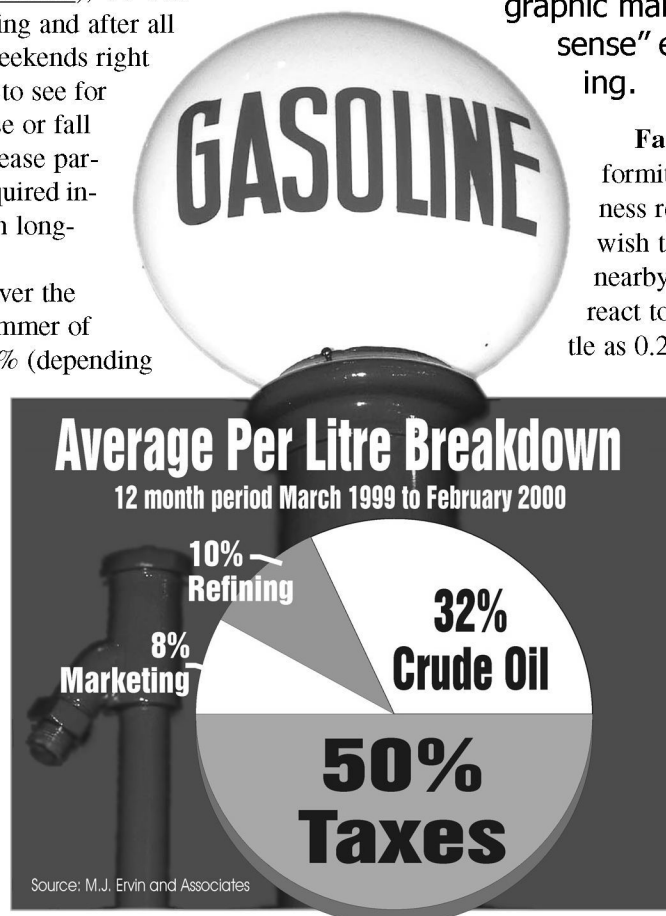
Myth: The big oil companies are engaging in price-fixing.

Fact: Previous studies by the federal Competition Bureau in the 80's and in 1997 have found no evidence of price collusion. "We never found any evidence of an overall price-fixing conspiracy amongst the majors and/or regionals across the country," says the 1997 study. And a February 1998 study co-sponsored by Industry Canada, Natural Resources Canada, and the Canadian Petroleum Products Institute found that "... vigorous competition exists within the Canadian petroleum marketing sector."

Myth: Uniform pump prices in geographic markets are "common sense" evidence of price-fixing.

Fact: Wrong. This uniformity reflects a simple business reality that dealers do not wish to lose market share to nearby competitors. Consumers react to price fluctuations as little as 0.2 cents/litre and gas is one

of the few commodities that you can literally window shop for. Milk, diapers, bread, cars, pencils, fast-food meal combos are all similarly priced amongst different retailers, why is it that only gas prices elicit collusion charges? This is a simple economic principle known as market asymmetry.



Tax watchdog unleashes biting report on feds

By MARK DUNN
Parliamentary Bureau

Gas taxes are tantamount to highway robbery, the Canadian Taxpayers Federation says in a new report that slams government the pumps.

creases — it's the feds and provinces.

A close look at price hikes over the past 40 years shows that the tax component of a litre of gasoline has gone up, while the actual price of

gas, but the only reason it costs more is because taxes have skyrocketed," said CTF head Walter Robinson. In 1989-90, the feds collected \$2.5 billion in gas tax

Robinson said Finance Minister Paul Martin should cut federal gas taxes, which he said

Myth: If the government were to freeze prices, consumers would benefit.

Myth: The current round of record high pump prices is due to seasonal usage and oil companies testing consumer elasticity.

Fact: In January 1999, world prices for oil were about \$11 per barrel. In early April, the price soared to \$32 per barrel. Today it has settled back to between \$25 and \$27 per barrel. Several OPEC nations have also cut production thereby ensuring less oil is available to the rest of the world. These conditions, combined with record lows in North American oil reserves, explain price fluctuations.

Myth: Canadians pay more for gas than Americans do.

Fact: Wrong. As a recent Industry Canada study pointed out, "Canadian pump prices in urban markets have been roughly equal to — or even less than — U.S. pump prices for several years, if the higher Canadian tax content is excluded." And our recent gas tax study also bears this out with a 10 province vs. 50 state comparison.

Fact: Wrong. Freezing prices would ensure that they would be frozen at artificially high levels. Consumers would never benefit from gas wars and such a policy would provide a huge barrier to entry for new players wishing to enter the retail market. In the two provinces where price controls and other regulatory controls exist — PEI and Quebec — those motorists pay, on average, the highest national gas prices each year.

If Canadian politicians were serious about protecting taxpayers and consumers, they would end tax gouging at the pumps. But why face the problem when you can blame someone else ... like oil companies? And as long as consumers and motorists buy into the myths peddled by politicians, we'll continue to get soaked at the pumps.

Hopefully, Gas Tax Honesty Day and our subsequent campaigns will shed some light. ■

Do you want a copy of the Gas Tax Report?

Copies of the CTF's Gas Tax Report are available for \$10 plus GST by contacting the Ottawa office: Suite 512, 130 Albert Street, Ottawa, Ont. K1P 5G4



Book Reviews

Road to Growth

by Fred McMahon

Reviewed by David Gratzner

The list of problems is long: economic growth figures for the last decade that are more meek than robust; entire regions of the country where, as union economist Manus O'Riordan observes, "no culture of employment" exists; stagnation of after-tax income for working people. And then there's the brain drain. Notes Rafique Mottiar, a senior economist at the central bank: "It seems that half the college graduating class goes straight from graduation ceremonies to the airport for America."

While these problems may sound familiar, Rafique Mottiar and Manus O'Riordan are not Canadians -- they're Irish.

The Emerald Isle was a basket case. And while the 1980s were particularly bad, economic stagnation and out-migration marked much of the second half of this century.

But that was then. Ireland today is a much different story.

Fifteen years ago, Canada's per-capita gross domestic product was 2 1/2 times Ireland's. Now, Ireland's is 15 per cent greater than ours. From 1993-97, 200,000 net new jobs were created. Unemployment is under six per cent, and falling. In 1999, the GDP grew a staggering nine per cent.

Fred McMahon details the transition in his new book, *Road to*

Growth: How Lagging Economies Become Prosperous, published by the Atlantic Institute for Market Studies (www.aims.ca).

Ireland's success, as he explains, was due to a relatively simple strategy: the Irish government made the country a good place to invest. The strategy rested on three pillars. First, the government slashed taxes in general, and corporate taxes in particular. Second, the government cut spending -- deeper than Margaret Thatcher had in Great Britain. And finally, the government

sat down with corporate leaders and powerful labour unions and negotiated to hold wage growth down.

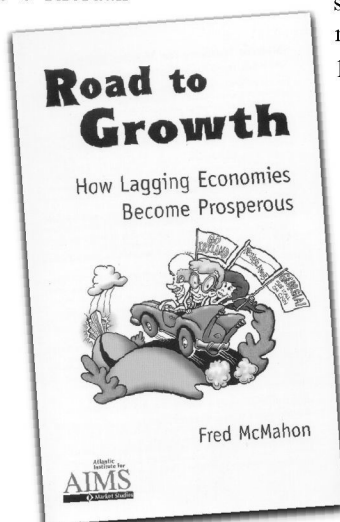
Entrepreneurs and individual citizens suddenly had money to invest and spend. The effects were dramatic, immediate and, perhaps, counter-intuitive -- workers enjoyed huge income increases despite wage freezes, and

tax revenue soared after tax cuts.

Such a strategy, of course, flies in the face of many of Canada's economic policies for the last three decades. Federal philosophy follows the old Keynesian line that government spending stimulates the economy.

McMahon argues that government spending of this sort hinders economic growth. "The 'crowding out' effect occurs through several channels. Large government borrowing forces up the cost of capital, making investment more expensive. High taxes reduce the money people and business have to spend and invest. Government expenditures bid up the cost of scarce resources . . . again making investment more expensive. And high taxes coupled with generous social programs create incentive not to work, furthering the cost of labour."

McMahon goes further and investigates jurisdictions like the Netherlands, Michigan, Massachusetts, and the U.S. Deep South. Each jurisdiction looked to a relatively similar formula for economic prosperity: lower taxes and smaller government. Today, they're booming. ■



Please Send Me:

_____ Copies of Road to Growth @ \$15.00 ea

_____ Copies of First Nations Second Thoughts @ \$24.95

_____ Copies of Our Home or Native Land @ \$19.95

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Less 10% discount for purchases of five or more items

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First Nations? Second Thoughts

by Tom Flanagan

by Mark Milke

Sometimes one should buy a book based on its critics. Phil Fontaine, Grand Chief of the Assembly of First Nations, doesn't much care for Tom Flanagan's latest contribution to the growing debate over Canada's misguided aboriginal policies. Mr. Fontaine recently referred to the University of Calgary professor's offering - *First Nations? Second Thoughts* - as "tired, unworkable, discriminatory."

Were aboriginal Canadians here first? Without question. Does that mean a separate-but-equal policy (oxymoronic as that idea is) is

justified? Not in the view of Flanagan, who points out that the first settlers to the Americas were but the initial wave of immigrants fleeing the Old World in search of the new. And even aboriginals did not all arrive here at the same time. Inuits and Indians, he points out, probably stem from at least three different migration waves and should probably be more correctly called Siberian Canadians, given where they emigrated from. Europeans, he asserts, were one more wave in the tide of history.

The significant difference between the European wave and the others though was the degree of civilization in the clashing cultures.

Civilization, argues the author, is incorrectly understood as political or racial.



Flanagan argues it should be understood in its technical, archaeological sense: A concept that describes communities where agriculture, urbanization, a division of labour, intellectual advances, advanced technology and formalized hierarchical government takes place.

Is this racist? Hardly, asserts Flanagan.

"Because the peoples of Europe, Asia, and Africa had been in contact with each other for millennia, European civilization had itself incorporated the advances of other civilizations past and present." In other words, add Babylonian astronomy, Jewish monotheism, Greek philosophy, Roman law, Indian mathematics and Chinese technology, and the practical outcome between European settlers and aboriginals was practically a foregone conclusion.

By then, the displacement of hunter-gatherers by agriculturally based societies was already happening, in the Americas. "Fortified with increased food production from horticulture the Iroquois were pushing hard against their Huron and Algonquian neighbours when the French and English arrived." The same thing was also happening down south where Aztecs and Incas were forcibly incorporating neighbouring peoples into their civilized and growing empires notes Flanagan.

Flanagan's prescriptions for change (individual property rights and more band accountability) make up the smallest section of the book, yet, if implemented, they will most help individual natives. Such prescriptions will also cut down on the power enjoyed and abused by native leaders and governments against individual natives, which explains why some native leaders don't like this book. ■

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Fax: 1-800-465-4464 or Ph: 1-800-667-7933

How Taxpayers will Goodbye \$377 Million

by Mark Milke

Corporate Welfare – BC Style

BC's taxpayers, sick of how Ottawa wastes their tax money through corporate welfare and HRDC-style boondoggles now have their own made-in-BC mess. BC's taxpayers have lost \$31.7 million in write-offs because of government loans and guarantees to private business according to a recent study by the BC division of the Canadian Taxpayers Federation. And taxpayers can expect to be hit for at least another \$106.8 million in losses for a total write-off of \$136.4 million.

Unfortunately, the bad news does not end there. Because the government is running deficits, the real cost of the write-offs – i.e., the opportunity cost of the loans – is estimated to be \$377.6 million. That number is based on very conservative estimates, only three ministries were included in the study, and information from one (Forest Renewal British Columbia) was so incomplete that taxpayers have undoubtedly lost and will lose even more money. And as for repayment records the projected write-offs on the loans range from 7.7 to 70 times that considered normal for business loans issued by major banks.

Digging For Information

In September 1999, the CTF requested information regarding loans and investments made by Forest Renewal BC (FRBC), the Ministry of Small Business, Tourism and Culture (SBTC), and the Ministry of Employment and Investment (EI). Information was received in January 2000 which covered (in most cases) loans and loan guarantees from the mid-

1980s to September 30, 1999. CTF analysis then began on the loans and loan guarantees.

They Wanted The Information Back

On February 25, 2000, the CTF received a letter from the Ministry of Finance and Corporate Relations that stated detailed information on the Industrial Incentive Fund was released "inadvertently" and should have been severed under section 17 of the *Freedom of Information and Privacy Act*. The letter requested the return of the information.

The CTF analysed three ministries and the loan and loan guarantees issued by those ministries. Here is the breakdown.

Findings – Small Business, Tourism and Culture

■ While these loan programs were terminated over 6 years ago, only 73% of the \$51.6 million in loans have been repaid to date.

■ To date, \$2.4 million in loans have been written-off and the government anticipates losing another \$2.8 million for a total projected loan loss rate of 10%. This projected loss rate is between 7.7 and 20 times higher than projected loss rates for business loans issued by the major banks in 1998.

■ Interest revenues were dismal, even when compared to the most conservative measures such as the prime business loan rate. The loans earned 2.38% interest, compared to 8.61% average prime loan rate over the same period. This difference represents hidden interest subsidy of at least \$15.8 million dollars.

■ On an opportunity cost basis the loan programs added at least \$37.7 million to the province's net debt.

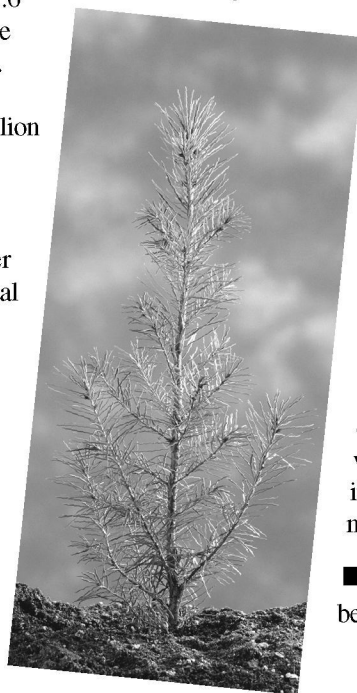
Findings – Employment and Investment

■ Of the \$459 million in loans/investments placed since 1986/87, only \$74 million (16%) has been repaid to date.

■ To date, \$27.2 million in loans have been written-off and the government anticipates losing another \$104 million for a total projected loss rate of 30%. This projected loan loss rate is between 30 to 70 times higher than projected loss rates for business loans issued by the major banks in 1998.

■ There are 9 loans currently in arrears, with a total outstanding balance of \$16.3 million.

■ 21 loans had to be refinanced part way



BRITISH COLUMBIA

through the loan period.

■ Interest revenues were dismal, even when compared to the most conservative measures such as the prime business loan rate. The loans (equity investments omitted) earned 2.91% interest, compared to 8.83% average prime loan rate over the same period. This difference represents hidden interest subsidy of at least \$41.7 million dollars.

■ On an opportunity cost basis the loan programs added at least \$340 million to the province's net debt.

Findings – Forest Renewal BC

■ Despite having committed \$81 million to various loan and credit enhancement programs, the information provided by Forest Renewal BC is incomplete. In many cases, data regarding loans repaid and loans defaulted are not available or have not been collected. Therefore, the information does not provide any solid indication of the overall performance or opportunity cost of the FRBC loan portfolios.

■ The fragmented data suggests FRBC has actually lent out \$61.6 million in business assistance loans and emergency credit. Of this amount, an estimated \$21.9 million has been repaid to date (36%) and \$2.1 million has been written-off (3%). This suggests an outstanding loan balance of \$37.6 million.

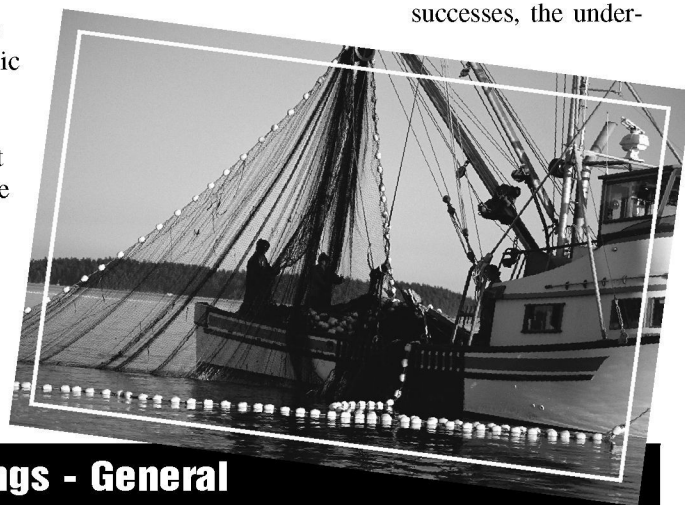
But Do Business Subsidies Work?

Despite the widespread adoption of economic development programs by governments around the world, there is no solid evidence that such programs actually promote economic development. Rather, the evidence shows that such programs are based on poor data, unsound evaluative methods, and faulty economic reasoning.

According to the best economic literature on the subject, there is no evidence that corporate welfare works. Terry Buss, professor of Public Management at Suffolk University in Boston ana-

lysed the literature to find out whether government intervention contributes to economic growth and development, whether other factors were responsible for change, and what were the positive and negative effects, unintended consequences, and long-term impacts. He also tried to determine whether there were any credible studies on whether public investments were foregone in favour of the interventions. Buss could find no studies that answered these important questions – nor could his critics.

On the other hand, Buss found that targeted industry studies use poor or inappropriate data, deeply flawed social science methods, and simplistic mathematical models to produce often-dubious targets. Even when proponents point to apparent successes, the under-



CTF Findings - General

(millions \$)

Program Area	Total loans	Repayments to date		Write-offs to date		Bad Debt Provision		Projected Loss		Opportunity Cost
		Amt	% of total loans	Amt	% of total loans	Amt	% of outstanding loans	Amt	% of total loans	
Small Business Tourism and Culture	51.6	37.8	73%	2.4	5%	2.8	25%	5.2	10.2%	37.7
Employment and Investment	459.4	84.4	19%	27.2	6%	104.0	30%	131.2	29%	339.9
Subtotal	511.0	122.2	24%	29.6	6%	106.8	21%	136.4	27%	377.6
FRBC	61.6	21.9	36%	2.1	3%	n/a	n/a	n/a		n/a
Total	572.6	144.1	25%	31.7	6%	106.8	19%	136.4	24%	377.6

Note: FRBC figures are estimates based on available data; Total figures for bad debt provision, projected loss rate, and opportunity cost understate actual state of affairs due to lack of comparable FRBC data.

BRITISH COLUMBIA

lying economic premises in the evaluations are so deeply and seriously flawed that the benefits are illusory. And for every illusory success, there are mountains of costly failures.

So Why Do Politicians Love Corporate Welfare?

So, why do so many governments throw tax dollars at private business? While there are no certain economic benefits, there are clear political benefits. Corporate welfare programs allow public officials to take credit for addressing important public concerns and protect themselves from blame for not acting to prevent relocation of firms to other communities. Elected officials need economic development programs to deliver quick, visible projects in their efforts to solve their jurisdiction's economic problems, manage business climate problems, and achieve other aims. Ribbon-cutting photo opportunities, sod-turning events, and upbeat press releases are clearly worth the millions in debt, taxes, and lost opportunities.

The political benefits are worth it because, in most cases, the public never hears about the real costs. Governments and participant businesses can effectively prevent any outside party from undertaking any



rigorous cost-benefit analysis of the programs. Taxpayers are fed optimistic job creation forecasts but are never told about the number of jobs that would have been created even without the assistance or that would have been created elsewhere in the economy had the money had been left in the pockets of consumers. While the public notices the occasional fiascos — a noteworthy bankruptcy or loan default — they are never told about the millions of dollars that are squandered each and every year when money is handed out to businesses that did not need or deserve it. This is particularly appalling to business owners who often see their hard-earned profits taxed away only to be handed over to their competitors.

Recommendations

- The Government should get out of the business of being in business and pass legislation to prevent ministries and other government bodies from providing financial assistance to individual businesses without full public debate in the

Legislative Assembly. To this end, the CTF has drafted model legislation, the Business Financial Assistance Limitation Act, for the Government's consideration.

- The proposed legislation is based on the principle that, given the absence of any evidence that government finan-

cial assistance programs actually produce net economic benefits, any future effort to assist a particular business enterprise should receive full and public scrutiny before any public money is committed to that end. If the government believes the assistance is necessary, they must make a persuasive case to the prospective investors — the people of BC.

- As a corollary, the BC Government should abolish the Industrial Incentive Fund and other business assistance programs such as Power for Jobs, Film Incentive BC, Product Development Fund, and Technology BC.

- If the Government truly wants to promote economic growth, it should concentrate on the basics: balance the budget, reduce the province's debt, reduce taxes, simplify the tax system, and reduce the regulatory burdens placed on business. When governments try to pick winners and losers in the marketplace, invariably it is taxpayers that lose out. Instead, the government should simply get out of the way and let private entrepreneurs with their own capital at risk determine how to best meet the demands of consumers. ■

For a copy of the study, go to www.taxpayer.com and click on Studies and then BC.



BRITISH COLUMBIA

In the March/April issue of *The Taxpayer*, the BC division of the Canadian Taxpayers Federation laid out the problem with BC's growing debt (up from \$2.3 billion in 1970 to \$17.2 billion in 1991 and forecast to be \$36.5 billion by March 2001.) Here now are the pro-active solutions on how wrestle BC's deficits and debt to zero. Taxpayers in British Columbia deserve balanced budgets, tax cuts, and a more vibrant private sector.

That means BC's public sector – large in comparison to Alberta and Ontario must shrink. Here are the recommendations from CTF British Columbia's 2000 pre-budget submission. For a full copy of the submission and the rationale behind the recommendations, go to the CTF website at www.taxpayer.com, Studies - British Columbia.

Balanced Budget Recommendations

- Overall Goal: reduce total government spending by ten percent over two years.
- End business subsidies in practice and in legislation
- End special interest subsidies in practice and in legislation
- Income-test all benefits and subsidy programs in government and Crown corporations
- Cut and combine provincial ministries
- End wage and employment subsidy programs, affirmative action and pay "equity" programs
- Reduce fiscal transfers to municipalities
- Introduce competition, privatization, and alternate service delivery
- Create a ministry of privatization & competition with a five-year mandate
- End "Buy In BC" policies
- Increase auditor general funding - increase performance audits / require ministry responses to reports
- Legislate balanced budget and debt repayment requirements

Tax Recommendations

- Reduce the basic provincial personal income tax by three and a half percentage points in the 2000-01 budget

How to Deal With With BC's Debt

year (from 49.5 % to 46.0%), a saving of \$385 million to BC's taxpayers.

- Establish an income tax review committee to recommend further reductions and overall reform of personal and other non-business taxes in the subsequent years.
- Establish a business tax review committee to recommend reforms and reductions of business taxes starting in the 2001-02 budget year.
- Legislate a Taxpayer Protection Act to prohibit tax increases without voter approval. ■



Despite requests for a pre-budget consultation with either Finance Minister Paul Ramsey or Premier Ujjal Dosanjh, the governing New Democrats refused to meet with CTF-BC director Mark Milke. Pre-budget consultations were held, however, with Opposition leader Gordon Campbell (top right) and Opposition Finance critic Gary-Farrell Collins (bottom right).



Finally, a bill that puts Albertans in control

It's finally happened. A bill that would allow Albertans to vote on proposed tax increases has finally come to the floor of the legislature. It's about time.

Alberta lags well behind the pack in giving voters the right to reject tax increases. Manitoba has had a "taxpayer protection" law since 1995 that requires a referendum on tax rate increases. The Yukon government may only raise rates after voter approval. After signing the CTF's *Taxpayer Protection Pledge* in 1995, Ontario Premier Mike Harris also signed voter approved of new or increased taxes into law.

And now it's Alberta's turn. Or is it? Believe it or not, the *Alberta Taxpayer Bill of Rights* now before the legislature is not a government bill. It is not even sponsored by a government member. No, Bill 211 is championed by none other than Liberal Treasury critic Howard Sapers.

That's a problem. Not because there's anything wrong with Mr. Sapers' Bill. Au contraire. His proposal is a fine piece of legislation. The problem arises from the fact that: a) private members bills rarely get passed; and, b) *opposition* private members' bills *never* get passed.

The reason for this has something to do with the fact that governments feel threatened by laws that are not their own progeny. Like wild animals, regimes possess some inherent biological instinct that compels them to exterminate the offspring of their competitors. Maybe it's natural selection at work or maybe it's just a simple case of not wanting to give opponents credit for a good idea.

And Bill 211 is a good idea. The legislation would require that any increases to income tax rates, fuel tax rates, hotel room tax rates, school property tax rates, and any number of other tax rates be put to a referendum before being enacted—simple as that.

In an era of tax rate *reductions* this may not seem like a big deal. After all, what self-respecting politician in his or her right mind (I'm being ironic here) would actually vote for a tax rate increase?

Ha! Don't kid yourself. There are plenty of revenue hungry politicians out there and you never know when one of them is going to pop up in the Treasurer's chair. The current administration may be

committed to lowering tax rates – for now – but there is no guarantee that succeeding legislators will subscribe to the same agenda. Mr. Sapers' Bill could act — should act — as an insurance policy against future rate hikes.

More importantly, Bill 211 puts major public policy decisions where they belong – in the hands of the people. If we've learned anything about public finance over the last three decades it's that governments cannot be trusted to provide sound fiscal management. We must have controls in place to avoid the massive deficits, debts and tax

burdens foisted on us by largely unaccountable bureaucrats and politicians.

And what better control mechanism is there than the referendum? It's time to let the people decide how much money they're going to *give* the government, rather than allowing the government to decide how much it will *take* from the people

Not one good reason exists for any MLA to vote against Bill 211. On this issue legislators can put partisan differences aside and do the right thing. ■



by Mitch Gray

Three cheers for Mr. Klein! After suffering months of criticism over his government's Bill 11, it's time the Premier was thrown a laurel for cutting taxes via Bill 18. All Albertans (and I emphasize *all*) stand to benefit from the government's announced tax cut.

The Klein administration plans to cut personal income taxes by a further \$450 million over and above the \$850 million announced in last February's budget.

The new single personal income tax rate, originally scheduled to come in at 11 percent, will be pared down to 10.5 percent and the basic per-

Thank You, Mr. Klein

sonal exemption (the amount of money one can make before having to pay income tax) will be increased to \$12,900 from \$11,600. The cuts follow the Canadian Taxpayers Federation's 2000 pre-budget recommendation for a cut to the rate that would result in a \$1.3 billion savings.

Now there are those, if you can believe it, who say that Mr. Klein's tax cuts are a bad thing. These critics claim that the new single tax system (it is a *single* tax and not a *flat* tax because all the existing credits remain in place) will punish the middle-class and reward the rich.

Not true. After crunching the numbers one finds that, in fact, in many cases middle-class earners will receive a proportionally larger tax cut than high -- or low -- income earners. A one-income family with two children earning \$40,000, for example, will see a tax reduction of

\$1,206 or 3 percent of income from 1999 to 2001. In contrast, the same family earning \$100,000 a year would accrue a savings of \$2,676 or 2.7 percent of income.

This does not mean, however, that Alberta's poor or wealthy will lose out on the cuts. Bill 18 will drop about 190,000 low-income Albertans from the tax rolls – the poor will pay no provincial income tax at all. And upper-income earners will have an incentive to earn even more income as marginal rates move lower.

"Well, O.K.," say the critics, "maybe everyone will get a deep and equitable tax cut after all – but all this cutting will lead to a drop in revenue, placing health and education funding at risk."

Again, not true. This tax cut will boost productivity and increase revenues over the long term. We've seen this happen in the U.S., Ireland, Holland,

and most recently right here in our own backyard in Ontario. Our provincial cousins have seen their tax rate drop by more than 30%, yet personal income tax revenues have gone from \$14.8 billion to \$17.5 billion since the Harris government took power. Put that in your peace pipe and smoke it.

The new single tax system, although not perfect (it is still far too complicated and the rate is, arguably, still too high), will be a boon to the middle-class, the poor and the wealthy alike. Bill 18 is not a zero-sum initiative. Everyone wins with this tax cut – both in the short term through personal tax savings, and in the long term through increases in revenue to support government services.

Klein's detractors should put away their placards and bullhorns on this one. There's nothing to protest here – only good public policy. ■

Klein's NHL Lottery Idea Should Be Benched

by Mitch Gray

Unfazed by the trouncing federal Industry Minister John Manley received over Ottawa's NHL bailout package, Mr. Klein continues to push ahead with a new lottery proposal for professional hockey.

Ralph has now decided that, as long as it's the Calgary Flames (rather than the Ottawa Senators) staring into the financial abyss, it might be OK to subsidize the NHL

after all. And since a direct subsidy is political suicide the Premier has opted to try and pull a hockey sweater over the eyes of taxpayers with a lottery scheme.

According to the Premier, his proposed NHL lottery would involve no public funds and would have no impact on existing lottery revenues. Horse hockey!

New lottery dollars would not simply fall from the sky. A NHL lottery would, in fact, directly compete for consumer dollars against existing lotteries designed to fund established charities. Lottery dollars that once went to pay for the Developmental Disabilities Resource Centre in Calgary or the Inner-City Children and Community Project

Society in Edmonton would be re-directed to the seven figure salaries of twenty-two year olds on skates. A NHL lottery would simply transfer wealth from the poor to the rich and from the public purse to private enterprise.

And what about private enterprise? There are those that would argue – with a great deal of merit – that lotteries should be privatized. Why should charities (and only “government approved” ones at that) be the sole recipients of lottery proceeds? Why are private businesses, like the Oilers and Flames, prohibited from operating and profiting from their own betting games?

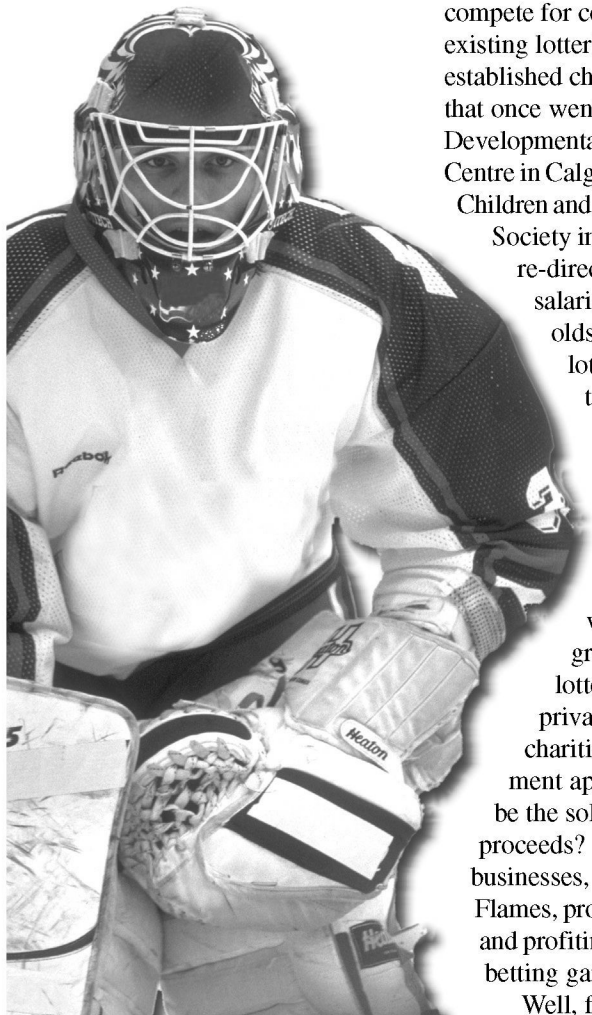
Well, for starters Albertans

have told their government in no uncertain terms “*that all gaming and lottery profits collected by the province be directed to supporting charitable or non-profit initiatives.*” This guiding principle, affirmed by the Klein administration, came out of the 1998 Lotteries and Gaming Summit and presumably reflects the view of a majority in the province. The people have spoken.

Even if one rejects the public's predilection for state-run lotteries, it remains impossible for any true conservative to accept Mr. Klein's new plan. The Premier is not talking about introducing a competitive lottery market. He is merely singling out one industry and two particular businesses for special treatment. Under the Klein scenario the only businesses that would be allowed to profit from lotteries would be professional hockey teams. Hardly the stuff of a free market.

And what are the criteria for admittance into the business lottery club? Why, you have to be on the verge of self-inflicted financial ruin of course! Ralph appears set to return to the Getty years of bailing out failing businesses for some indefinable and unproven greater economic good.

NHL teams are, of course, largely, if not wholly responsible for their own plight. At the heart of the problem are sky high salaries. In 1991, the average player salary in the NHL was \$271,000 (US). By 1999, this figure had skyrocketed to \$1.3 million (US). This represents a 481% increase in labour costs over nine years. But costs are only half of the equation – sales are also slow. The



Calgary Flames, for example, have seen a dramatic drop in season ticket sales over the past few years. These businesses cannot attract consumers to purchase their product. A new NHL lottery will not sustain franchises that can't manage their own affairs and perpetually engage in

poor business practices.

So what on earth is the point of an Alberta-only NHL lottery? Klein's proposal would do nothing to generate extra income for the government, nor would it improve the lot of existing charities, nor would it create a level playing field for all busi-

nesses, nor would it save the Oilers and Flames from themselves.

It's time for the provincial government to throw in the towel in this tiring debate. When it comes to the list of public policy priorities, the complaints of NHL owners and players don't make the cut. ■

E A business tax cut for Everyone

tax the income of the owners of a

Boy have we come a long way. In just a few short years Canadian governments have gone from ridiculing tax cuts to embracing them in their budgets.

The only place where one can find any disagreement about tax cuts these days is with respect to the *kinds* of cuts being proposed. The latest battle-lines have been drawn between Canadian Alliance leadership aspirants Stockwell Day and Tom Long. Day would like to make personal income tax cuts priority number one. Long says that corporate tax cuts need to be emphasized in order to make Canada "the leading wealth-generating nation on earth."

So who's right? Well, both of them of course. Canada has the highest personal income taxes (as a percentage of total taxation) amongst G-7 nations. On the other hand we also have the second highest general corporate income tax rate (43%) in the world – almost 9 points higher than the OECD average. No wonder the Canadian content in your RRSP stinks.

We should, then, be cutting both personal and corporate taxes simultaneously. This is a difficult political sell though because most people think that those big bad corporations should pay their "fair share" and that the "little guy" should get the full tax break.

Well that *sounds* good but let's get one thing straight — corporations do not pay tax. Individuals pay tax. This is true because a corporation is simply a collection device by which governments

business. But that does not necessarily mean that it is the owners themselves who suffer a financial loss. For while it is the owners who remit the tax to various governments, it is also the owners who pass this business cost on to consumers through higher prices and to workers in the form of lower wages. Taxes are simply a cost of doing business.

The point is that, in the end, everyone pays business taxes. Corporate income tax, capital taxes, business property taxes, and every other tax paid by companies are absorbed by the country's citizens. Giving individual Canadians a tax break, then, also involves cutting taxes imposed on business.

This is where the newly formed Alberta Business Tax Review Committee comes in. Alberta is in the enviable position of having announced significant personal tax cuts. It is now time to build on the Alberta Advantage by reducing business taxes. The Committee

should be recommending cuts that, at the very least, mirror the business tax cuts already put forward in Ontario.

When fully implemented in 2005, Ontario's general corporate tax rate will decline from 14.5% to 8% (compared to Alberta's current rate of 15.5%). Ontario will further reduce its small business tax rate to 4% on the first \$1 million of income (compared to Alberta's rate of 6% on the first \$200,000).

If Alberta is to compete with other provinces, states, and countries

we must act now to deliver substantial business tax reductions. Cutting business taxes makes sense – not just for corporations, but for all of us in the province. ■



T·a·x · F·a·i·r·n·e·s·s

Tax policy should be based on economics, not genetics.

The people of Saskatchewan need and deserve tax relief and tax reform. But both must be based on the principle of tax fairness.

In support of this goal, a few weeks before the provincial budget this past March, the Canadian Taxpayers Federation (CTF) presented the Finance Minister with our 29,000 name petition demanding that Saskatchewan treaty Indians pay PST on off-reserve purchases. On budget day our efforts were rewarded when the provincial government agreed to end the race-based exemption.

For most people it is common sense that tax policy should be based on economics, not genetics. Racially-based tax exemptions have no place in 21st century Saskatchewan. (The CTF has been accused of divisive language, but there is no simple way to sugar-coat this point to the satisfaction of the political-correctness patrol.)

The 29,000 petitioners were certainly in good company. Every other province (except PST-free Alberta) charges Native people sales taxes on purchases made off their reserves. The right of provinces to levy such taxes has been upheld by the Supreme Court. And the report by the government's own Personal Income Tax Review Committee in November 1999 proposed an end to the Native PST exemption. Ending race-based exemptions was also supported by the vast majority of Saskatchewan people, has been advocated by the Saskatchewan Party, and was eventually implemented by the NDP government.

Some Native leaders say that they have "pre-paid" their taxes by agreeing to share the land with others, and believe that their tax-free status stems from their treaties. But in fact there is not a single reference to taxes in any of the treaties. The tax exemptions for Native people on reserve originates from Section 87 of the *Indian Act*, and was

originally provided to prevent Indians from losing their reserves through the imposition of liens and other levies on their land by local governments. While it may have seemed a good idea at the time, the absence of economic rights and obligations (including tax free status) and the absence of property rights, was a profound policy mistake that economically segregated Indians from the rest of Canada and helped keep them in abject poverty. In fact, a Native entrepreneur can't even get a loan to start a business on reserve because they can't use reserve property as collateral!

This puts the lie to the argument that charging PST on off-reserve purchases will give reserve-based businesses a significant commercial advantage. There are already broad property, sales, and income tax exemptions in place on reserves that have failed to convey such an advantage. There is no reason to think that because the 6% sales tax exemption off-reserve was eliminated that there will be a major migration of businesses onto traditional reserves.

As for new "urban reserves" in our cities, whose primary purpose is commercial development, the PST exemption was just one part of the tax-free picture. Many commentators seemed unsure of their sympathies on this one, saying on one hand that charging PST off-reserve was "unfair" to Indians, but on the other hand saying that it would give Native businesses on urban reserves an "unfair" advantage. The CTF view is that if the tax-free status of urban reserves distorts the economy by

Ending race-based tax exemptions supported by an overwhelming majority of Saskatchewan people

Poll published in the May 7th LeaderPost and Star Phoenix

The provincial budget removed the off-reserve tax exemption (the provincial sales tax) for status First Nation peoples. What best describes your attitude toward this?

- | | |
|------------------------------|-----|
| 1) Strongly approve | 43% |
| 2) Approve | 32% |
| 3) Makes no difference ... | 6% |
| 4) Disapprove | 9% |
| 5) Strongly disapprove | 6% |
| 6) No opinion/not sure | 4% |

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giving an advantage to reserve-based businesses, it is one more incentive to reduce taxes for everyone and ensure that taxes are applied fairly to people regardless of race.

It is worth noting that the Nisga'a Agreement -- seriously flawed as it may be in many other ways -- does provide for the eventual elimination of some race-based tax exemptions. But Saskatchewan Indians are going the other way. The Treaty 8 Indian bands of northern Alberta, British Columbia, and Saskatchewan are presently in court fighting to be exempted from all taxes for now, for all time, everywhere in Canada. (And just days after the provincial budget, the Federation of Saskatchewan Indian Nations (FSIN) filed a statement of claim in provincial court asking for the same thing throughout Saskatchewan). The CTF is seeking intervenor status in the Treaty 8 case to argue that the tax exemptions Natives receive are not treaty rights, and even if they were, it would be a violation of Section 15 of the Charter of Rights and Freedoms that ensures all Canadians are equal under the law. In other words, we are working for the day when all Canadians, Native and non-native have the same economic rights and obligations.

If people do not pay taxes, it should be because they are too poor to pay, not because of ancestry or an alleged verbal treaty entitlement. If the number of Native

people in Saskatchewan increases to a third of the population as is predicted, and if their purchasing power also increases, these tax exemptions will mean higher taxes for everyone else and the starvation of social funding on which many poor people depend. Unfair exemptions for some means unfair burdens for others. How will Saskatchewan survive if a third of us, because of our ancestry, are isolated from the economy and pay no taxes whatsoever?

This is truly a case of "united we stand, divided we fall." Our province isn't big enough for two hobbled economies, one for Natives and one

for everyone else. Both economies will fail. The defenders of the Indian "right" to not pay taxes ought to take a long hard look at what they are defending. The economic segregation of Indians, the lack of economic responsibilities (e.g. taxes) and rights (e.g. property rights) is the failed paternalistic model of the *Indian Act*. It is a disincentive to progress that to this point has encouraged only poverty, isolation, and a multitude of social ills.

If we have learned one useful lesson from the past hundred years, it is that when the members of society don't share both the benefits and the burdens, society fails. ■



Provincial Director Richard Truscott presenting petitions to Saskatchewan Finance Minister Eric Cline before the 2000 budget.

SASKATCHEWAN

Missed Opportunities

by Richard Truscott

This article is about the last provincial budget, about missed opportunities, and about our province's future. The good news is that the budget will hopefully start the province down the road toward tax relief and tax reform. The bad news is that our progress is too slow, and it is marred by back-sliding tax hikes, and endangered by increased spending.

In the months before the provincial budget, the Canadian Taxpayers Federation (CTF) pushed for bold action to spur Saskatchewan's economy and combat the brain drain. We pushed for quick tax relief and comprehensive tax reform, including the immediate adoption of the Vicq Committee proposals.

So on budget day, we had mixed feelings. On the positive side, we support the principles of tax reform and tax relief being proposed for the long term. When and if the promised changes are fully implemented, Saskatchewan people will benefit, and thousands of low income people will be removed from the income tax rolls altogether.

These are all positive measures that taxpayers have advocated for some time. But consider the language used to qualify them: "hopefully," "long term", "promised", "when and if", and "eventually".

The finance minister said his budget contained *historic* tax cuts. But a more accurate description would be *futuristic* tax cuts, because the promised tax relief is in the future, whereas higher taxes and increased spending are being inflicted on us in the present.

And this is the first great disap-

pointment of the budget. In spite of the government's rhetoric about this being a tax cut budget, the only thing that happened on budget day was an effective increase in the PST. Tax cuts are only tax cuts when they're implemented. Period.

The PST is costly for businesses that have

government did, despite their claims, but because the federal budget eliminated bracket creep and we are still tied to the federal system. Next year when we separate from the federal system, the Saskatchewan government will correct that generosity, and bracket creep will be re-imposed on taxpayers for two more years (Thank you very much, Roy).

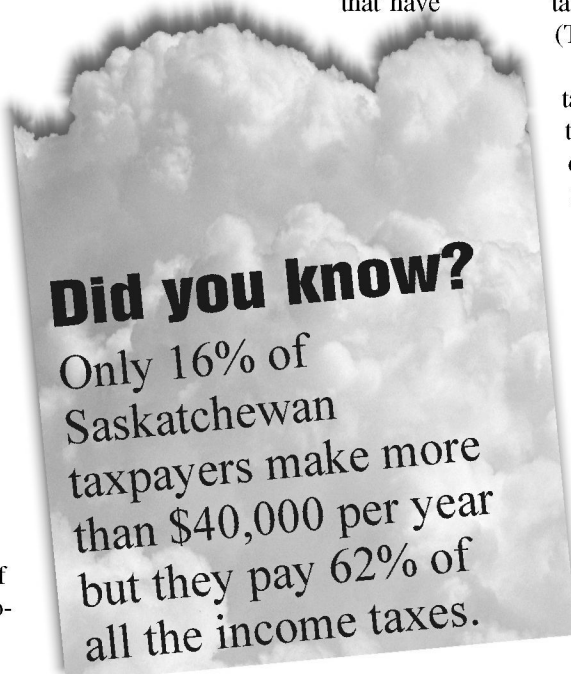
In fact, the only real Romanow tax cut this year is the 1% cut in the flat rate tax. But since that does not begin until July, it is more like a ½ % decrease, which will be largely offset by other tax increases.

As the chart on the next page demonstrates, this tax cut budget delivers only \$3.3 million in tax cuts in 2000, and \$21.9 million in fiscal 2000-2001. Compare that with the one point cut in the PST in last year's budget that was worth \$75 million in 1999 - a tax cut 23 times larger.

Clearly, the 2000 Saskatchewan budget does not contain the bold action that Saskatchewan needs. It can be argued that this budget may actually increase taxes this year. In addition to the PST increase, and other tax measures, including increases in the insurance premium tax, tobacco taxes, etc., we have increased rates from our government-owned utilities, and increased user fees that are not included in this calculation.

So you can now see why the CTF called the budget "a kick in the pants now and the promise of a pat on the back later." The long-term proposals for tax relief and tax reform are promising, but are still just promises.

Importantly, this leads to a second great disappointment in the budget. Not only are the tax cuts too



Did you know?
Only 16% of
Saskatchewan
taxpayers make more
than \$40,000 per year
but they pay 62% of
all the income taxes.

to compete with their Alberta counterparts. But if there was going to be an expansion of the PST base, it should have been accompanied by a cut in the PST rate, so that the change would be revenue-neutral. Instead, the PST is a bigger cash cow than ever.

And then there is bracket creep. (Bracket creep you may remember is when taxpayers are pushed into higher tax brackets because the tax system is not fully protected from the effects of inflation. The result is a series of ongoing stealth-like tax increases worth billions for our federal and provincial governments). We are free of bracket creep this year not because of anything the Romanow

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slow, they are too small. The CTF was prepared to like this budget a lot more than we do. Because of the Vicq Committee proposals we believed the government would take much stronger action.

So where did things go wrong?

Prior to the budget, the CTF called on the government to put a two year cap on spending to reduce the size and cost of government. And we called for a comprehensive review of government spending to prioritize and control expenditures.

That doesn't mean that we can't make key reinvestments into important areas such as health care, education, and highways. It just means that government has to make difficult decisions about other areas of spending to hold the line on overall expenditures.

But instead of restraint there has been a \$783 million increase in new operating spending from 2 budgets ago, a 17.4% increase. 14 of 15 major departments are increasing spending this year, and 80% of all departments and agencies are increasing spending.

This is the final disappointment in the budget – the lack of spending restraint. Spending restraint now is the best way to finance tax cuts in the future. And by the same token, increased spending today is virtually a guarantee of higher taxes tomorrow.

This is one of the reasons why when a Finance Minister promises great things a couple of years down the road, we prefer to wait and see. Because for the present, we still have bracket creep and we still have spending creep.

This budget is a small first step. But our government is still addicted to high taxes and big spending. They are like smokers who say they are going to quit — tomorrow — by cutting back to only one pack a day. ■

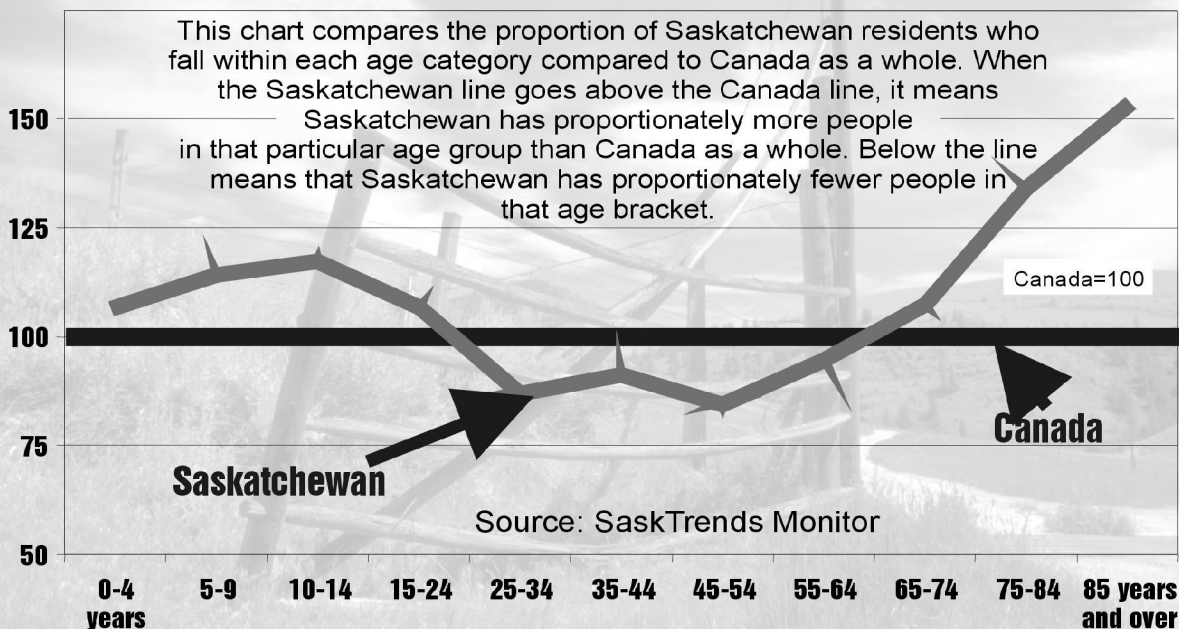
Revenue Impact of 2000 Budget Measures

Tax Measure:	2000 Tax Year	2000-01 Fiscal Year
Income Tax Reform:		
Flat Tax Reduction to 1%	(90.9)	(90.9)
2001 Tax Reform (Jan-Mar)	0	(52.5)
Sales Tax Reform:		
Sales Tax Credit	(24.0)	(32.0)
PST Base exemption	105.8	142.7
Other Revenue Measures:	5.8	10.8
Total Tax Cut:	(3.3)	(21.9)

Source: SaskTrends Monitor Calculations by CTF (all \$ in millions)

Saskatchewan in a rut

Saskatchewan's population compared with Canada



A Budget without

Vision



by Victor Vrsnik

Critical coverage of the provincial budget in the media has the Premier crying foul. Gary Doer went into damage control and accused the *Winnipeg Sun* of running an “absolutely false” headline.

The day after the budget, the cover of the *Sun* read “Highest Taxes in Canada.” The headline must have referred to a cross-country tax comparison on page D14 of the budget that shows a Manitoba family of four earning \$60,000 will pay \$6,349 in income taxes this year. The same family will pay \$6,190 in Regina and only \$3,849 in Kenora. By their own admission, the NDP have made the Manitoba middle class the victims of the highest income taxes in Canada. So far no crocodile tears for the Premier.

The NDP want us to forget about year 2000 and wring our hands with delight for the impending tax cuts in 2001 and 2002. By then, they tell us, Manitoba will have restored its middle of the pack status with the other provinces. But the government should know that *promises* of tax relief do not constitute tax relief!

Out of courtesy to the Premier, why not gaze a few years off into the future to see how Manitoba measures up against our neighbour.

The Saskatchewan versus Manitoba comparison is easily the most valid of any two provinces west of the Maritimes. Both prairie provinces share roughly the same demographics, the same economic performance, the same western political culture and are governed by the same party -- the NDP.

Like Manitoba, Saskatchewan’s recent budget provided little in immediate tax relief but plenty of promises for the future.

So let’s look at each government’s vision of the future. Assuming each government sticks to their budget plan, by 2003, both Saskatchewan and Manitoba will have completed their tax reform packages. The surtaxes and flat taxes in both provinces will be rolled into a new three-

bracket tax structure.

As it turns out, Saskatchewan will post far more competitive tax thresholds and rates. Income earners will pay 11 percent tax on income less than \$35,000; 13 percent on income between \$35,000 and \$100,000; and 15 percent on income over \$100,000.

In Manitoba, the middle-income rate will be 20 percent higher at 15.6 percent of income taxed between \$30,544 and \$61,089. And the high-income rate will be 16 percent higher at 17.5 percent of income taxed above only \$65,000.

Even the poor are better off in Saskatchewan. Increased credits and exemptions will remove over 50,000 low-income earners from the tax rolls, compared to only 15,000 in Manitoba.

Despite the \$75 property tax credit, Winnipeggers will still pay higher property taxes than Regina or Saskatoon.

The tax comparison is bad enough were it not for the fact that practically every province in the country has moved to eliminate bracket creep by next year. Manitoba is one of the only holdouts. Future adjustments to the tax thresholds will be decided willy nilly. Without automatic indexation of all the tax thresholds to the rate of inflation, the NDP can choose to pit one income group against another in a form of tax-class warfare.

Vision is not the first word that springs to mind to summarize the provincial budget. Try myopia or shortsightedness. Because the only view left of Manitoba will likely be through the rear view mirror as more and more Manitobans queue up to leave the province like so many before them.

And while Alberta and Ontario will remain the destination of choice for most, the way things are headed currently even Saskatchewan is looking good.

No one seriously expected Premier Doer to compete with Premiers Harris and Klein. But keeping pace with sluggish Saskatchewan was one expectation that should have kept the Manitoba NDP’s feet to a tax cuts fire. Have our politicians already gone numb? ■

Summary of Business Assistance - Manitoba Industry Trade and Tourism

This grant list represents a summary of business assistance from the province's Department of Industry, Trade and Tourism from 1998 to 1999. All told, taxpayers shelled out \$10,276,287 to select Manitoba companies under the Department's business subsidy programmes. Source: Annual Report 1998-1999, Manitoba Industry, Trade and Tourism

Company	Program	\$-Amount	Company	Program	\$-Amount	Company	Program	\$-Amount
Asia Pacific Foundation of Canada Association - Contributions		50,000	Skunkworks Inc. - Feasibility Projects/Studies		10,000	Crown Cap (1987) Ltd. - Marketing Plan Program		1,000
Canadian Centre on Disability Studies - Project Endowment Fund, Association - Contributions		125,000	Softnetlink Inc. - Feasibility Projects/Studies		10,000	Daher Manufacturing Inc. - Marketing Plan Program		2,000
MB Audio Recording Industry Association Association - Contributions		5,000	Urotech Pharma Inc. - Feasibility Projects/Studies		20,000	Deskins Mfg. Inc. - Marketing Plan Program		2,000
Prairie Implement Manufacturers Association Association - Contributions		1,500	Winnipeg Machine Works Ltd. - Feasibility Projects/Studies		2,188	Discovery Canada Merchandisers Ltd. - Marketing Plan Program		500
Shellmouth-Assiniboine Valley Economic Development Inc. - Canada-Manitoba Partnership Agreement in Tourism -Capital		500,000	Air Canada - Forgivable Loans		1,750,000	Diversity Products Ltd. - Marketing Plan Program		1,000
Economic Innovation and Technology Council - Economic Development		1,023,900	Angus Reid Group - Forgivable Loans		450,000	Down to Earth Clothing Co. Ltd. - Marketing Plan Program		2,000
Economic Innovation and Technology Fund		999,194.75	Daycon Mechanical Systems Ltd. - Forgivable Loans		125,000	Durand and Graham Ltd. - Marketing Plan Program		375
36551002 Manitoba Inc., Feasibility Projects/Studies		15,000	Fine Line Communications Ltd. - Forgivable Loans		30,000	Easy Air Products - Marketing Plan Program		2,000
Agassiz Brewing Company Ltd., Feasibility Projects/Studies		9,000	SR&J Customer Care Call Centres Inc. - Forgivable Loans		720,000	Echo Bay Company Ltd. - Marketing Plan Program		2,000
Astra Network Inc. - Feasibility Projects/Studies		8,000	Walinga Inc. - Forgivable Loans		7,377	EIDSE Family Farms - Marketing Plan Program		610
Carta Resources Ltd. - Feasibility Projects/Studies		10,000	Western Opinion Research Inc. - Forgivable Loans		100,000	Elevator Systems Professionals - Marketing Plan Program		1,000
Deskins Manufacturing Inc. - Feasibility Projects/Studies		7,500	University of Manitoba, Centres of Excellence Fund		397,000	Ez-Save Internet Promotions - Marketing Plan Program		1,000
Engineered Power Components - Feasibility Projects/Studies		10,000	Children's Hospital Foundation Of Manitoba - Manitoba Health Research Initiative		118,555	Gossip Clothing Co. - Marketing Plan Program		1,000
Gossan Resources Ltd. - Feasibility Projects/Studies		12,500	Health Sciences Centre Research Department - Manitoba Health Research Initiative		317,087	Hanover Springs Ltd. - Marketing Plan Program		2,000
Health Care Products Association of Manitoba - Feasibility Projects/Studies		10,900	Manitoba Cancer Treatment and Research Foundation - Manitoba Health Research Initiative		122,017	Hemp Oil Canada Inc. - Marketing Plan Program		1,000
Jade Enterprises Inc. - Feasibility Projects/Studies		9,650	St. Boniface General Hospital Research Centre - Manitoba Health Research Initiative		500,966	Hilary Druxman Design		Marketing Plan Program
Manitoba Printmakers Association - Feasibility Projects/Studies		3,738.32	University of Manitoba, Manitoba Health Research Initiative		941,375	Home Health Care Pharmacy - Marketing Plan Program		2,000
Munroe Equipment Services - Feasibility Projects/Studies		9,000	Manitoba Horse Racing Commission - Manitoba Horse Racing Commission		124,500	Hugs International Inc. - Marketing Plan Program		268
Pettersen Infant Products - Feasibility Projects/Studies		5,001	49th Apparel Inc. - Marketing Plan Program		2,000	ICE Marketing and Consulting Ltd. - Marketing Plan Program		1,000
Prairie Dog Brewing Co. - Feasibility Projects/Studies		1,050	Abject Modernity Ltd. - Marketing Plan Program		1,000	Imperial Metal Products - Marketing Plan Program		642
Prairie Hemp Ltd. - Feasibility Projects/Studies		5,447	Accurate Dorwin Co. - Marketing Plan Program		694	Intrepid Dezine - Marketing Plan Program		2,000
Prairie Production Center Ltd. - Partnership Feasibility Projects/Studies		25,000	Argus Industries - Marketing Plan Program		1,000	Iron Works Industries Inc. - Marketing Plan Program		250
Prothotics (c/o The Bay) - Feasibility Projects/Studies		7,500	Arne's Trailers - Marketing Plan Program		1,000	J R Lovell Inc. - Marketing Plan Program		998
Pumphouse Brewing Co. - Feasibility Projects/Studies		7,500	Bi-Work Inc. - Marketing Plan Program		2,000	J R Welding and Mfg. - Marketing Plan Program		1,989
Scott Screen and Wire Co. Ltd. - Feasibility Projects/Studies		12,782	Canadian Anglo Machine and Iron Works Inc. - Marketing Plan Program		1,000	JMJ Fashions Inc. - Marketing Plan Program		1,000
Senlund Corp. - Feasibility Projects/Studies		844	Care Ware Designs For Active Living - Marketing Plan Program		1,000	Loveable Creations - Marketing Plan Program		1,219
			Cat Contract Services Inc. - Marketing Plan Program		2,000	Lussier's Dreamscape Creations - Marketing Plan Program		1,000
			Clearpoint Investments (2475279 Mb Ltd.) - Marketing Plan Program		1,800	Manitoba Sauce Producers - Marketing Plan Program		2,000

MANITOBA

Company Program \$-Amount

Manta Industries Ltd. - Marketing Plan	
Program	1,000
Mercury Specialty Products - Marketing Plan	
Program	1,000
Mission Air - Marketing Plan Program	2,000
Monague Native Crafts - Marketing Plan	
Program	701
Moulson's Welding and Manufacturing -	
Marketing Plan Program	750
Musgrave Seed Farm - Marketing Plan	
Program	925
National Coating Technologies Inc. - Marketing	
Plan Program	1,000
Norquest Innovation Corp. - Marketing Plan	
Program	500
Northern Nook General Store - Marketing Plan	
Program	198
Pegasus Products Inc. - Marketing Plan	
Program	600
Prairie Farm and Ranch Supply - Marketing	
Plan Program	655
Prairie Gun Works - Marketing Plan	
Program	550
Precision Metalcraft Inc. - Marketing Plan	
Program	623
Premium Canadian Pet Supplies - Marketing	
Plan Program	2,000
Protech Labeling Systems - Marketing Plan	
Program	1,950
Quadvator Inc. - Marketing Plan	
Program	2,000
Quality Design Inc. - Marketing Plan	
Program	313
R P Sales Agency - Marketing Plan	
Program	2,000
Real Industries - Marketing Plan Program	1,000
Rossett machinery Co. Ltd. - Marketing Plan	
Program	2,000
Safety Base Ltd. - Marketing Plan Program	878
Shopost Iron Works (1989) Ltd. - Marketing Plan	
Program	650
Spectrum Feeds Ltd. - Marketing Plan	
Program	938
Ultra-Span Technologies Inc. - Marketing Plan	
Program	1,000
Vamaani Clothing Co. International - Marketing	
Plan Program	1,000
Winnipeg Street Solutions - Marketing Plan	
Program	535
Woodsong Farms Ltd. - Marketing Plan	
Program	1,500
Worldwide Interpretation and Translation	
Services - Marketing Plan	
Program	1,000
125/March West-RCMP Headquarters -	
Marketing Promotions Hospitality	12,500
1998 Manitoba Military Tattoo - Marketing	
Promotions Hospitality	2,500
Association of Manitoba Museums - Marketing	
Promotions Hospitality	500

Company Program \$-Amount

Brandon and District Chefs and Cooks	
Association - Marketing Promotions	
Hospitality	500
Canadian Host Family Association Conference	
Fund - Marketing Promotions	
Hospitality	3,250
Canadian Consulate Los Angeles - Marketing	
Promotions Hospitality	1,824
Canadian Federation of Chefs and Cooks -	
Marketing Promotions Hospitality	1,000
Canadian Football League Marketing Promotions	
Hospitality	20,000
Canadian Hockey C/O World Junior Hockey -	
Marketing Promotions Hospitality	800
Crowne Plaza Winnipeg Downtown - Marketing	
Promotions Hospitality	3,750
Federation of Chefs De Cuisine - Marketing	
Promotions Hospitality	3,125
Fish Winnipeg - Marketing Promotions	
Hospitality	1,900
GMC World Curling Tour - Marketing Promotions	
Hospitality	2,500
Grey Cup Festivities '98 Inc. - Marketing	
Promotions Hospitality	1,000
Hospitality and Sales Marketing Association	
International - Marketing Promotions	
Hospitality	212.50
Manitoba Junior Hereford Association -	
Marketing Promotions Hospitality	1,000
Manitoba Lodges and Outfitters Association -	
Marketing Promotions Hospitality	1,500
Manitoba Quality Network - Marketing	
Promotions Hospitality	500
Manitoba Restaurant Association Inc. -	
Marketing Promotions Hospitality	750
MB Health Auxiliaries Association - Marketing	
Promotions Hospitality	500
MB Tourism Education Council - Marketing	
Promotions Hospitality	500
Manitoba Congress of Medical Laboratory	
Science '98 - Marketing Promotions	
Hospitality	900
Peak of the Market - Marketing Promotions	
Hospitality	300
Royal Manitoba Winter Fair Provincial	
Exhibition of Manitoba - Marketing Promo-	
tions Hospitality	4,799
Sagkeeng Solvent Treatment Centre - Marketing	
Promotions Hospitality	1,500
Team Canada - Marketing Promotions	
Hospitality	2,850
Tourism Winnipeg - Marketing Promotions	
Hospitality	3,750
Abject Modernity Inc. - New Business	
Assistance - Technology	
Commercialization	18107
AG Shields Manufacturing - New Business	
Assistance- Technology	
Commercialization	13,936
AG-Quest Inc. - New Business Assistance-	
Technology Commercialization	14,927

Company Program \$-Amount

Alphair Ventilating Systems Inc. - New	
Business Assistance- Technology	
Commercialization	27,744
BMW Canola Inc. - New Business Assistance-	
Technology Commercialization	5,482
Con Sys Inc. - New Business Assistance-	
Technology Commercialization	20,000
Ingenuity.Com Inc. - New Business Assistance-	
Technology Commercialization	8,080
Jade Enterprises Inc. - New Business	
Assistance- Technology	
Commercialization	40,350
Oakwood Audio Labs Ltd. - New Business	
Assistance- Technology	
Commercialization	15,492
One Putt Trading Company Ltd. - New	
Business Assistance- Technology	
Commercialization	9,110
Riverbend Millwork and Fixtures Ltd. - New	
Business Assistance- Technology	
Commercialization	2,987
Snotow Inc. - New Business Assistance-	
Technology Commercialization	4,340
Winnipeg Street Solutions Inc. - New Business	
Assistance- Technology	
Commercialization	5,000
Wolf Products Ltd. - New Business Assistance-	
Technology Commercialization	9,000
Manitoba Schools Science Symposium -	
Science Fairs and Symposiums	1,200
Northern Manitoba Regional Science Fair -	
Science Fairs and Symposiums	1,200
Provincial Science Olympics - Science Fairs	
and Symposiums	500
Western Manitoba Science Fair - Science Fairs	
and Symposiums	1,200
Manitoba Marketing Network Inc. - Small	
Business and Entrepreneurial	
Development	30,000
3448746 Canada Ltd. (Man Agra Capital Inc.) -	
Special Assistance	12,354
Acrylon Plastics MB (1983) Inc. - Special	
Assistance	11,790
Altona Blue Jean Corp. - Special	
Assistance	8,486
Brandon Riverbank Inc. - Special	
Assistance	55,825
Canadian Intergovernmental Conference	
Secretariat - Special Assistance	2,000
Churchill Northern Studies Centre - Special	
Assistance	24,000
Economic Development Authority of Whiteshell -	
Special Assistance	143,813
Internal Trade Secretariat - Special	
Assistance	15,387
International Academy of Cardiovascular	
Science - Special Assistance	19,200
Invest Manitoba - Special Assistance	20,301
Isobord Enterprises Inc. - Special	
Assistance	13,606
Kor Product Design Inc. - Special	
Assistance	71,718

MANITOBA

Company Program \$-Amount

Manitoba Innovation Network - Special Assistance	4,000
Port of Churchill - Special Assistance	7,232
Springhill Farms - Special Assistance	113,464
TR Labs - Special Assistance	380,264
United Steelworkers of America - Special Assistance	4,813
Vision Quest/98 - Special Assistance	2,500
Assiniboine Community College - Student Bursary	300
Canada-U.S. Fulbright Program - Student Bursary	14,000
Association of Canadian Travel Agents Manitoba Division - Tourism Product Development	10,000
Boundary Trail Heritage Region - Tourism Product Development	20,400
Business Development Bank of Canada - Tourism Product Development	602
Delta Marsh Birding Festival - Tourism Product Development	3,300
Economic Development Council for MB Bilingual Municipalities - Tourism Product Development	25,000
Festival Du Voyageur - Tourism Product Development	10,000
Grandview Promotions - Tourism Product Development	1,000
Inglis Area Heritage Committee Inc. - Tourism Product Development	25,000
Interlake Tourism Association - Tourism Product Development	14,000
Manitoba Aboriginal Tourism Association Inc. - Tourism Product Development	22,500
Manitoba Golf Adventures (Gull Harbour Recreation and Community Centre) - Tourism Product Development	7,200
Manitoba Tourism Education Council - Tourism Product Development	2,900
Norman Regional Development Corp. - Tourism Product Development	7,000
North American Wildlife Enforcement Memorial Museum and Educational Centre - Tourism Product Development	15,000
Parkland Tourism Association - Tourism Product Development	8,278
Pumphouse Brewing Co. - Tourism Product Development	7,500
River Basin Tourism Consortium - Tourism Product Development	5,000
Southeast Region Tourism Alliance - Tourism Product Development	5,000
Southwest Trails Association for Regional Tourism - Tourism Product Development	5,000
Town of Winnipeg Beach - Tourism Product Development	1,873
Acme Design Ltd. - Trade Assistance Programs	1,300
Acision Industries Inc. - Trade Assistance Programs	2,240
ADP Systems - Trade Assistance Programs	795

Company Program \$-Amount

Ambassador Furniture Ltd. - Trade Assistance Programs	3,000
AML Wireless Systems - Trade Assistance Programs	3,000
AMSCO Cast Products (Canada) Inc. - Trade Assistance Programs	3,000
Better Air Systems - Trade Assistance Programs	3,000
Blue Moon Emporium - Trade Assistance Programs	1,000
Bothwell Co-op Dairy Society Ltd. - Trade Assistance Programs	2,430
Burrows Lumber Inc. - Trade Assistance Programs	1,395
Canadian Ostrich Marketing Export Team Inc. - Trade Assistance Programs	2,000
Canadian plains Gallery Inc. - Trade Assistance Programs	3,000
Cancade Company Ltd. - Trade Assistance Programs	2,025
Cedar Gathering - Trade Assistance Programs	500
Cole Pet Cages and Wire Products Ltd. - Trade Assistance Programs	1,100
Compro Interactive Ltd. - Trade Assistance Programs	2,023
Country Lane Candle Supplies - Trade Assistance Programs	1,470
Crystal Spring Hog Equipment - Trade Assistance Programs	3,000
Custom Castings Ltd. - Trade Assistance Programs	3,000
Custom Steel Manufacturing Ltd. - Trade Assistance Programs	3,000
Daher Manufacturing Inc. - Trade Assistance Programs	3,000
Decker Manufacturing - Trade Assistance Programs	1,078
Demand Marketing - Trade Assistance Programs	3,000
Diamond Valley Manufacturing - Trade Assistance Programs	825
Discovery Canada Merchandisers Ltd. - Trade Assistance Programs	3,000
Doncar Systems Inc. - Trade Assistance Programs	3,000
DR Dean's All Natural Pet Products Inc. - Trade Assistance Programs	2,000
Earth Lore Ltd. - Trade Assistance Programs	3,000
Emerson Milling Inc. - Trade Assistance Programs	3,000
EXI Electronic Systems - Trade Assistance Programs	2,750
Global Grain Canada Ltd. - Trade Assistance Programs	3,000
Great Performance Products - Trade Assistance Programs	2,000
Great West Van Conversions Inc. - Trade Assistance Programs	3,000
Harv-al Sportswear Ltd. - Trade Assistance Programs	1,010

Company Program \$-Amount

Heirloom Wool Co. - Trade Assistance Programs	2,919
IBG Global Livestock - Trade Assistance Programs	3,000
ICE Marketing and Consulting Ltd. - Trade Assistance Programs	376
Integrated Engineering Software Sales Inc. - Trade Assistance Programs	3,000
Kids Wen TV Inc. - Trade Assistance Programs	3,000
Lazer-Faire Media Services Ltd. - Trade Assistance Programs	3,000
Matrix Management - Trade Assistance Programs	1,935
Media Touch - Trade Assistance Programs	3,000
Newton homes - Trade Assistance Programs	3,000
North American Caseline Inc. - Trade Assistance Programs	3,000
Online Business Systems - Trade Assistance Programs	3,000
Pendor Communications - Trade Assistance Programs	600
Prairie Gun Works - Trade Assistance Programs	2,432
Premier Care Industries - Trade Assistance Programs	3,000
Premium Canadian Pet Supplies - Trade Assistance Programs	2,250
Quantic EMC inc. - Trade Assistance Programs	2,500
R V I Equipment Ltd. - Trade Assistance Programs	3,000
Siltex Mills - Trade Assistance Programs	1,525
Simmons Canada Inc. - Trade Assistance Programs	2,919
Spectis Moulders Inc. - Trade Assistance Programs	3,000
Spectra Computer Services Ltd. - Trade Assistance Programs	3,000
Sunvalley Software Inc. - Trade Assistance Programs	1,836
Sunwest Screen Graphics Ltd. - Trade Assistance Programs	3,000
Terra Flex AG Services Inc. - Trade Assistance Programs	1,475
Vamaani Clothing Co. International - Trade Assistance Programs	1,000
Vidir Machine Inc. - Trade Assistance Programs	3,000
Western Spring and Wire Ltd. - Trade Assistance Programs	3,000
Woodland Supply and Manufacturing Co. - Trade Assistance Programs	806
Woodsong Farms Ltd. - Trade Assistance Programs	3,000
Wuerz Publishing Ltd. - Trade Assistance Programs	3,000
XPotential Products Inc. - Trade Assistance Programs	2,625

Democratic Tool kit Has New Municipal Hammer

By Walter Robinson and Bruce Winchester

Giving taxpayers a direct say in how they are governed has become an infectious malady that seems to be afflicting Ontario early into the 21st century. First up, the governing Tories passed (after relentless pressure by your CTF) a *Taxpayer Protection Act* last fall which requires voter approval for new or increased taxes. Now they have followed-up with a municipal encore.

Housing and Municipal Affairs Minister Tony Clement (half-jokingly referred to amongst his colleagues as the Minister for Direct Democracy) has taken a step

that will help protect municipal taxpayers in Ontario. He has introduced a law which provides the beginning of a comprehensive framework for municipal referenda. The *Direct Democracy Through Municipal Referendums Act, 2000* is not just good policy, it is good politics.

The proposed act allows municipalities to ask clear and concise “yes” or “no” questions on issues within their jurisdiction. If at least 50% of eligible voters cast a ballot in the referendum, the results would be binding on the local council. If the 50% threshold of voters is not met, the vote is to be treated like a plebiscite — advisory and persuasive, but non-binding.

By setting the threshold at 50%, frivolous questions will be weeded out of the mix, while those with solid support will be “binding” on the local council. The proposed law calls for referenda during normal local election years — making it part of the usual process of selecting local representatives thus minimizing costs.

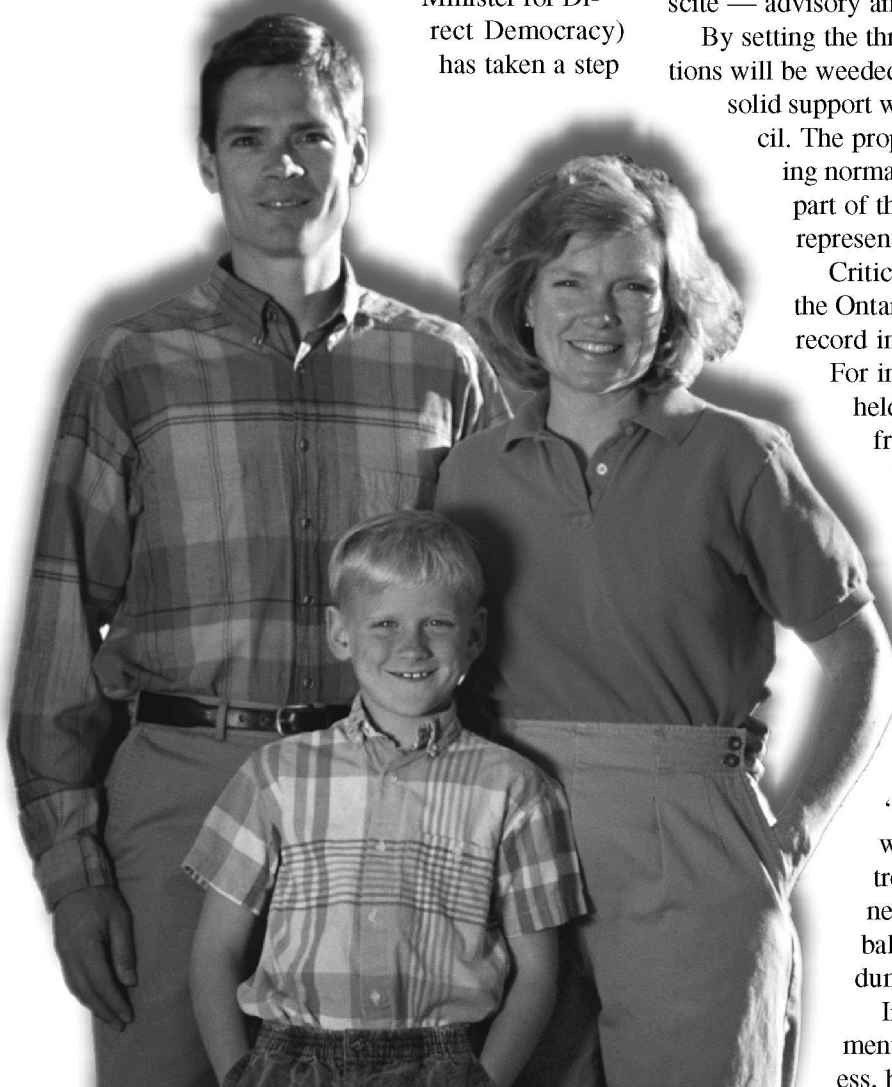
Critics of the referendum law say that the Ontario government has a dubious record in respecting referendum results.

For instance, the results from referenda held in and around Toronto during its fractious amalgamation debate a few years back were not accepted by the provincial government.

While this may be factually accurate, it is far from truthful.

To be fair, the Minister rightly points out that these referenda were held in less than ideal conditions. There were no guidelines governing the conduct of the “yes” and “no” sides. The validity of ballots was suspect because of the uncontrolled nature of e-mail, mail-in, newspaper coupon, and/or phone-in ballots that were part of the “referendum in question.”

In addition, various local governments not only ran the referenda process, but they also took active positions



in certain “yes” or “no” camps. That’s like having the animals running the zoo or the inmates running the asylum. The proposed Act would change all this by providing a framework of rules for the proper conduct of the referendum exercise.

The Harris government has often been accused of being anti-democratic and mean-spirited. But by putting more decision making power into the hands of voters (provincially on taxes) and municipally (on a variety of matters), this criticism becomes hollow. A local

referendum gives voters a chance to say “yes” or “no” to proposed changes in their communities. The provincial government, or even the local government may not like the decision, but if it meets the requirements set out in the rules, it becomes binding. This is true democracy in action.

Ultimately this is an issue of how we govern ourselves. As we learn more about the activities of governments and see where they excel and conversely, where they fail, we are demanding a bigger say in public policy. While elected

representation in our system still has an important role to play, greater citizen involvement can only serve to enhance our representative democratic system.

In the months that lie ahead, the CTF will push the Harris government to take their law one step further by allowing citizens to initiate their own questions to be put to referendums. Citizen-initiated referendums at both the municipal and provincial level is the final step in turning the corner from having government driven citizens to citizen driven governments. ■



Budget 2000

Good work, but there's more to do

By Walter Robinson

On May 2nd, Ontario Finance Minister Ernie Eves tabled his fifth budget in Toronto. The centrepiece was a balanced budget as the governing Tories had promised back in 1995. Also included were more tax cuts, a \$200 taxpayer

rebate and moves to streamline corporate taxation.

Overall, Mr. Eves continued down the proven path of tax cuts as the quickest route to economic prosperity. And accelerating his tax cuts schedule and eliminating provincial bracket creep helps all taxpayers,

especially lower income earners and working families.

The challenge for the Harris government now is to manage expectations and set priorities for the post-deficit era. They need only look at the immense pressure on Paul Martin (from inside and outside Cabinet) to

ramp-up spending across all areas of government. These pressures will continue to increase in Ontario and the government needs to guard against this desire for increased government spending. If it capitulates, the many gains that Ontario taxpayers have

continued on next page

made in the last five years could quickly evaporate.

Taxes

The budget announced a variety of positive tax relief measures including the second instalment of the 20% provincial income tax cut schedule. In addition, the full 20% cut will be implemented at least one-year in advance. The following chart shows the declining tax burden for Ontarians both in terms of the tax rate and the tax take as a percentage of provincial GDP.

Other tax relief measures include:

- Restoring full-indexation to the provincial income tax system: thereby eliminating bracket creep.
- Reduction of the capital gains inclusion rate

Provincial Spending & Debt Growth for Ontario

The following chart depicts spending and debt growth for the province of Ontario from fiscal year 1995-96 to 2000-01

Year	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Program Spending	\$46.163	\$45.011	\$45.232	\$46.578	\$47.807	\$49.525
Capital Spending	\$3.635	\$2.737	\$2.523	\$2.194	\$4.511	\$2.075
Debt Interest	\$8.475	\$8.607	\$8.729	\$9.016	\$9.500	\$9.460
Total Spending	\$58.273	\$56.355	\$56.484	\$57.788	\$61.818	\$61.060
Total Revenue	\$49.473	\$49.450	\$52.518	\$55.786	\$62.472	\$62.060
Net Provincial Debt	\$101.864	\$108.769	\$112.735	\$114.737	\$114.083	\$114.083
Prov GDP	\$327.246	\$337.833	\$356.578	\$371.874	\$398.286	\$424.359
Above figures all in billions of \$						
Debt Interest as % of revenues	17.13%	17.41%	16.62%	16.16%	15.21%	15.24%
Debt Interest as % of GDP	2.59%	2.55%	2.45%	2.42%	2.39%	2.23%
Net Debt as % of GDP	31.13%	32.20%	31.62%	30.85%	28.64%	26.88%
Ontario Population (millions)	10.965	11.101	11.249	11.384	11.514	11.665
Debt per citizen (dollars)	\$9,289.92	\$9,798.13	10,021.78	10,078.79	9,908.20	9,779.94

The Declining Tax Burden for Ontario

The following chart represents the declining tax burden for Ontarians in terms of tax rate and taxes as a percentage of provincial GDP

Year	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01*
Total Revenue	\$49.473	\$49.450	\$52.518	\$55.786	\$62.472	\$62.060
Sales Tax	\$9.424	\$9.964	\$10.843	\$11.651	\$12.784	\$13.400
Provincial Income Tax (PIT) revenue	\$15.633	\$16.357	\$16.293	\$17.190	\$17.505	\$15.530
Prov GDP	\$327.246	\$337.833	\$356.578	\$371.874	\$398.286	\$424.359
PIT	58.50%	47.0%	45.0%	40.5%	38.5%	varies**
PIT % of Revenues	31.6%	33.08%	31.02%	30.81%	28.02%	25.02%
PIT % of Prov GDP	4.78%	4.84%	4.57%	4.62%	4.40%	3.66%
Sales Tax as a % of GDP	2.88%	2.95%	3.04%	3.13%	3.21%	3.16%

(all figures in \$ billions) * 2000/2001 projections - most likely, revenue targets will be exceeded. ** Implementation of made for Ontario tax system complicates tax rate structure, but taxes are still decreasing.

from 75% to 66.6% (2000) to 62% (2001) to 50% (by 2004).

- Permanent extension of the Land Transfer Tax rebate, up to \$2,000, for first-time new-home buyers.

- Phase out the retail sales tax (PST) on motor vehicle insurance premiums and repairs/replacements under warranty.

- Provide a *refund* of up to \$200 for each Ontario taxpayer, depending on income tax paid.

- Moving to a Made-For-Ontario tax on income system (de-linking from the federal regime).

These measures

Without radical reforms in 25 years there will only be two government departments - the Department of Finance to collect the money and the Department of Health to spend it.

serve as a challenge to Ottawa and other provinces to go further in the all-but-declared tax-war between Canadian jurisdictions.

Where the provincial government failed was in its lack of ambition or courage on the gas tax front. While the PST reductions for motorists are welcome, the province's intransigence to reduce fuel taxes based on some ill-founded fear that 'big oil' will not pass these savings through to consumers defies logic.

Debt

While the provincial debt has stalled at \$114 billion, taxpayers must remain vigilant. It is encourag-

ing that Minister Eves has doubled his contingency reserve from \$500 million to \$1 billion annually for debt repayment. But this is a far cry from the \$3 billion that the CTF recommended during pre-budget hearings in February.

At the current pace, it will take 114 years to pay down the provincial debt. The absence of a legislated schedule of provincial debt reduction is unacceptable and something that the CTF will continue to push the province to adopt. Paying down today's debt cuts tomorrow's taxes.

Spending

The most disappointing aspect of the provin-

cial budget is an appetite for increased spending. While no one should doubt or dismiss the public anxiety over the future of health care, the absence of a long-term plan in health care is very troubling. The Harris government, like every other government, in the country, believes its commitment to health care is measured by how much it spends. But this approach is reckless.

In the absence of long-term reform — like medical savings accounts — we will only need two ministries in 25 years, Finance to collect taxes, and Health to spend them. Then what will we do with all our other public services?■



10 Years of ACOA:

Cover story

The Lost Decade

by Walter Robinson

Ever since the CTF's April and June 1998 studies analysing 16 years of Corporate Welfare assistance doled out by Industry Canada, CTF spokespersons have consistently been sought out for media comment on various initiatives where governments get into bed with business. Whether it be by directly financing projects or indirectly providing loan guarantees and other concessions, your CTF communications staff have become acknowledged experts in deciphering these sometimes-convoluted funding arrangements.

Unfortunately, Industry Canada is just one department that plays the corporate welfare game. Federally financed regional development agencies (four in total) also give out money to big business and big labour.

So we decided to go digging using *Access to Information* to get a sense of where these agencies — starting with the Atlantic Canada Opportunities Agency (ACOA) — spend federal tax dollars. Brace yourself, it isn't pretty.

From fiscal year 1989-1990 to 1998-1999 (10 years) almost \$2.6 billion was disbursed by ACOA from an average annual budget of \$257 million. Over 72% of this money, or \$186 million each year, was disbursed as non-repayable grants or contributions.

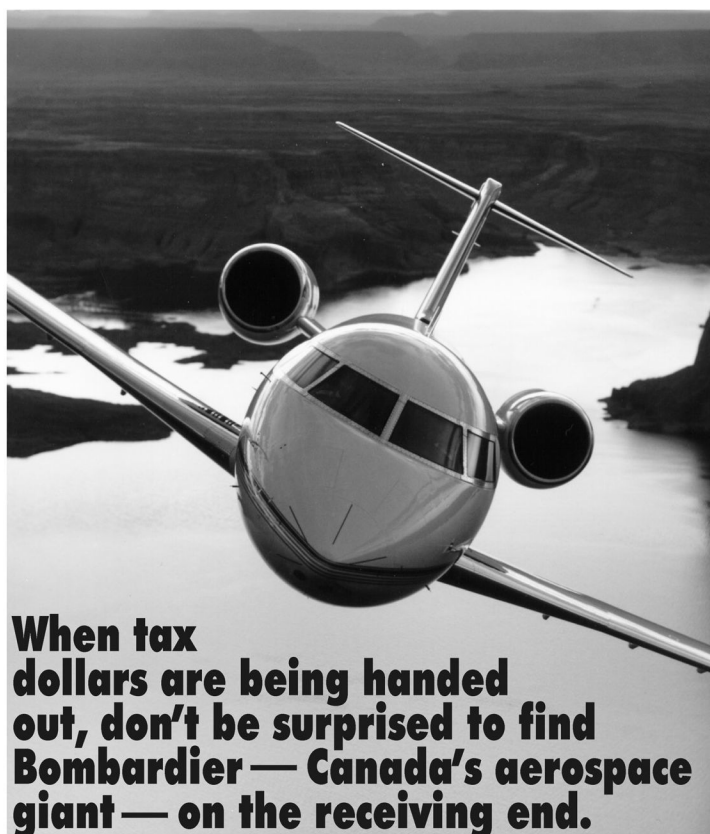
According to ACOA's web site it "has a broad mandate

for economic development in Atlantic Canada to increase the number of jobs and the earned income of Atlantic Canadians." It focuses on small and medium sized enterprises, trade and foreign investment, technology and innovation, and employment opportunities for youth. Providing access to capital and financing is a key business role for ACOA. Eligible business ventures can receive funding according to the following guidelines: up to 50% of start up costs and up to 75% of operating costs.

If only taxpayers could be so lucky. Imagine if the government said hey, we'll pay 50% of your mortgage and 75% of your monthly household bills. Wouldn't that be a sweet deal? In addition to these activities, ACOA delivers certain federal programs in Atlantic Canada. To help facilitate its activities, ACOA supports 40 Community Business Development Corporations, and has 24 regional offices throughout Atlantic Canada. Can you say institutional corporate welfare?

Predictably, the government questioned the CTF's math and research findings. But this rang hollow with the media and opposition parties since the data that led to the CTF's conclusions came directly from the government themselves.

The time for subsidies to big business, big labour and has long passed. This is a 19th century approach to industrial policy but somebody forgot to tell the government that we are now in the 21st



When tax dollars are being handed out, don't be surprised to find Bombardier — Canada's aerospace giant — on the receiving end.

Atlantic fund aided Quebec's Bombardier

GRANTS from page A1

The other top-five recipients are also government departments, such as New Brunswick's Department of Economic Development, Tourism and Culture. Even federal organizations such as the Business Development Bank had grants at the trough.

Over the past

tained from ACOA under access-to-information legislation.

"ACOA itself notes that 60 per cent of job creation in Atlantic Canada is through small business, yet our analysis points to his

Another recipient is Canada Steamship Lines, which is owned by Finance Minister and his

creates more failures than s

century. Lower corporate taxes and a competitive regulatory regime are the best and surest routes to follow to help out Canada's struggling regions, not outdated and useless subsidy programs. ■

Lowlights of the CTF's Report: 10 Years of ACOA: The Lost Decade

- 4.2% (475) of all funding recipients (11,297) accounted for \$1.498 billion, or 58% of all funds disbursed;
- Transfers to other federal and provincial institutions (some which are not subject to *Access to Information* or *Freedom of Information*) accounted for over \$277 million or 11% of all funds disbursed;
- Over 72% of all funds disbursed – some \$1.85 billion – was in the form of non-repayable grants and contributions;
- Despite ACOA's activity, bankruptcies (raw and per thousand) in Atlantic Canada continue to rise;
- The Who's Who of Atlantic Corporate Canada received grants, contributions or loans including companies such as **Irving Pulp and Paper Ltd.**, **McCain Foods Ltd.**, **Hershey Canada** and **Salter Street Films**;
- National corporate giants including **Bombardier**, the **Royal Bank**, **Canada Steamship Lines**, **Canadian Pacific Hotels**, the **DMR Group**, **Domtar**, **Honeywell**, **IBM Canada**, **Laidlaw Transit**, **Pratt & Whitney**, and **Westinghouse** all received contributions (another form of grants);
- Big labour including the **CAW** and other provincial labour federations and teachers associations received grants and/or contributions;
- ACOA loaned out \$591 million dollars in the last 10 years but has written-off loans worth an equivalent 34% of the amount lent during the same period. ACOA has almost written off 50% of the loan values in the past two fiscal years alone;
- Over \$5 million has been used to fund **Chambers of Commerce** and other business organizations. Over \$20 million has been spent on **golf courses**, **snowmobile clubs** and other recreational activities.
- ACOA approved over \$20.2 million in loans even though the agency, according to its own records, has no idea what the funds were to be used for!

Atlantic Canada Hurt by Handouts

By Fred McMahon

Fred McMahon writes for the Atlantic Institute for Market Studies. His most recent book Road to Growth is reviewed on page 16. The article that follows was originally published in the May 16, 2000 issue of the Telegraph Journal and is reprinted with permission of the author.

The Atlantic Canada Opportunities Agency (ACOA) was in the news again last week, but most newspaper headlines got only half

the story.

The Canadian Taxpayers Federation charged that ACOA had squandered \$2.6 billion of taxpayers' dollars over the last decade. That made headlines across Canada. These headlines missed a more subtle and important aspect of the report -- that these dollars were worse than wasted.

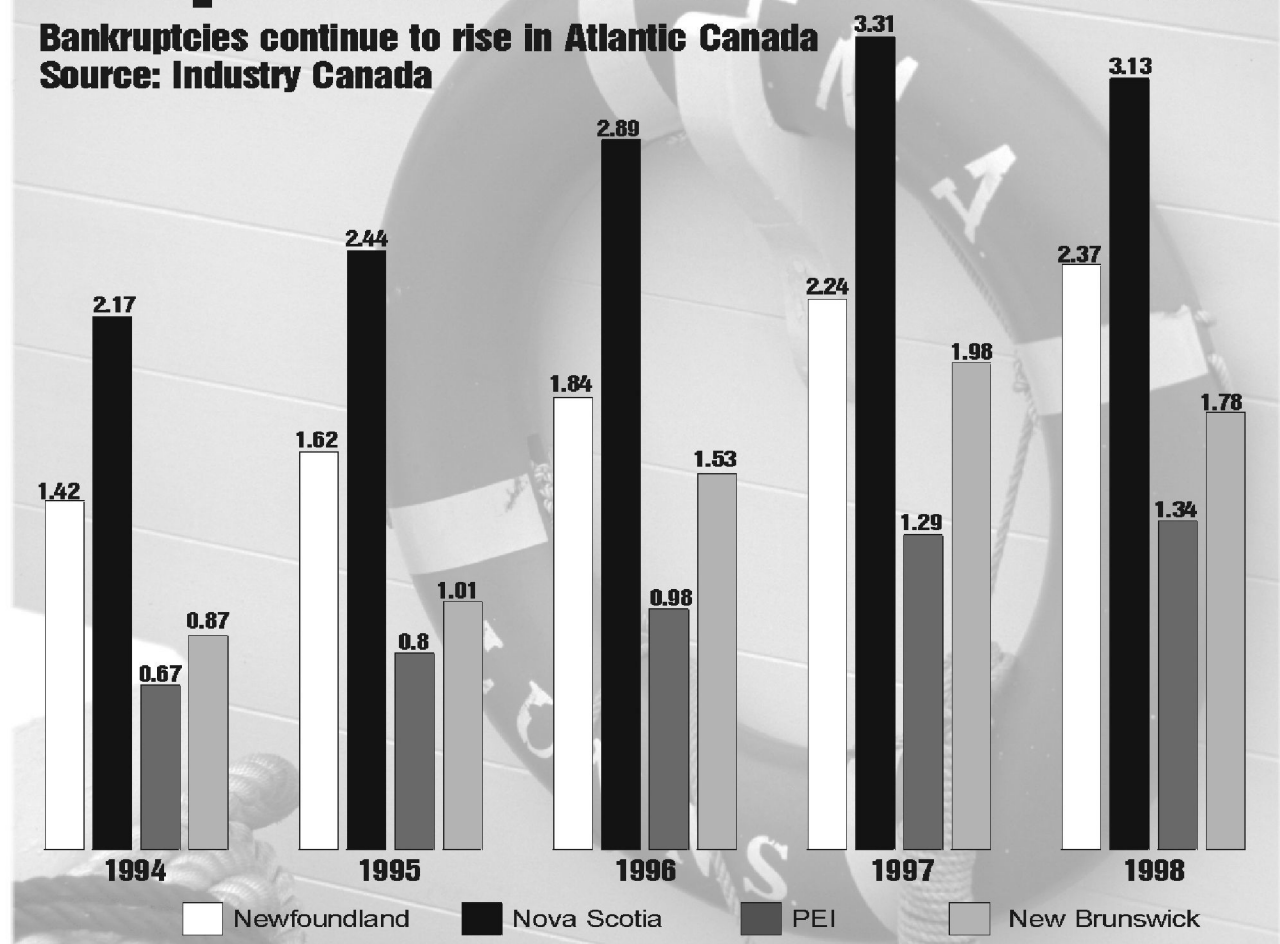
The money, far from a benign government excess, damaged the

Atlantic economy, the Federation said.

"Corporate welfare is inherently unfair," the Federation argued. "Business subsidies create an uneven playing field. Credit and capital can be diverted from successful firms to less successful, politically connected firms. In addition, firms that do not receive government assistance indirectly subsidize their government-supported competitors

Despite the federal handouts

Bankruptcies continue to rise in Atlantic Canada
Source: Industry Canada



THE TAXPAYER

through their corporate income taxes.”

You don't have to trust the Federation on this. One of ACOA's own studies says the same thing, though in harsher terms. A decade ago, ACOA and the government of Nova Scotia hired P.N. O'Farrell of Edinburgh's internationally-renowned Heriot-Watt Business School to examine the competitiveness of Nova Scotian businesses compared to New England firms.

O'Farrell's results almost certainly apply across Atlantic Canada. The conditions he examined are virtually identical in all the Atlantic provinces. His research indicated that Nova Scotian firms should have had a powerful competitive advantage over New England firms.

Nova Scotian firms had a huge

cost edge over their New England counterparts since Nova Scotian firms paid workers considerably less than New England firms. While Canadians like to believe we have a more equitable nation than the United States, the lowest paid workers in Nova Scotia suffered the most in the wage comparisons with the United States.

Not only did Nova Scotian firms pay their workers less than New England firms, Nova Scotia firms had more modern equipment than New England firms thanks to all the government subsidies available.

So, with big advantages in labour costs and equipment, you'd think the Nova Scotian firms would win big time over New England firms. You'd be wrong big time.

O'Farrell discovered that Nova

Scotian firms charged way more than New England firms for their products and, even worse, made products that were so shoddy they were of unacceptable quality on world markets.

How could this be? O'Farrell pointed straight to government business subsidies and the rich diet of government contracts in Atlantic Canada.

All this government help made firms fat, lazy and stupid, O'Farrell said. Firms didn't focus on producing high-quality competitive goods that could sell on world markets, he said. Why should they? More money was to be had by harvesting the government money farm.

Firms concentrated on sharpening their political contacts, not on making better products. That politicized the economy, something that

Atlantic Canada Opportunities Agency Assistance by Type 1989-1998

Year	Contribution	Grants	Interest Contribution Buydowns	Loans	Loan Insurance	Provisionally Repayable	Repayable Contributions	Total Expenditures
1989-90	\$183,541,826	\$4,634,721	\$24,343,354	\$390,000	34,553,020	\$392,465	\$13,213,978	\$261,069,364
1990-91	\$135,315,940	\$6,373,110	\$11,012,510	\$-	\$20,182,475	\$3,589,167	\$18,073,571	\$194,546,772
1991-92	\$160,831,477	\$5,126,024	\$9,982,518	\$9,213,089	\$5,600,381	\$8,528,230	\$19,871,592	\$219,153,311
1992-93	\$155,810,525	\$5,001,924	\$5,210,914	\$8,011,274	\$4,045,128	\$20,234,584	\$18,362,591	\$216,676,940
1993-94	\$162,703,432	\$4,864,791	\$995,791	\$4,636,250	\$3,340,000	\$9,552,031	\$12,454,392	\$198,546,687
1994-95	\$333,749,942	\$5,259,514	\$675,148	\$6,641,768	\$999,950	\$18,298,186	\$16,288,800	\$381,913,308
1995-96	\$194,136,732	\$2,004,349	\$497,030	\$5,354,582	\$474,130	\$4,079,590	42,659,847	\$249,206,260
1996-97	\$193,305,894	\$321,380	\$-	\$625,500	\$-	\$15,152,235	\$84,645,834	\$294,050,843
1997-98	\$157,389,100	\$341,239	\$-	\$1,000,000	\$-	\$25,510,722	\$106,795,456	\$291,036,517
1998-99	\$151,692,268	\$1,586,439	\$-	\$-	\$-	\$5,350,514	\$112,393,522	\$271,022,743
Total 1989-98	1,828,477,134	35,513,490	52,717,265	35,872,463	69,195,084	110,687,724	444,759,582	2,577,222,743
Average 1989-98	\$182,847,713	\$3,551,349	\$5,271,727	\$3,587,246	\$6,919,508	\$11,068,772	\$44,475,958	\$257,722,274

THE TAXPAYER

For big business, opportunity knocks

Atlantic jobs fund has wasted \$2.6-billion in last decade, report says

DANIELLE BLANC
Parliamentary Bureau, Ottawa
Some of Canada's biggest companies have dipped into Ottawa's main Atlantic jobs fund since 1989, including Canada Steamship Lines, the Royal Bank, Irving Pulp and Paper, McCain Foods and Iron

nadian Taxpayers Federation, aims to show that the Atlantic Canada Opportunities Agency has wasted \$2.6-billion in taxpayers' money over the past decade.
Recipients of ACOA grants and loans

Home Brew Inc. in St. John's claimed \$100,000 in 1994 and 1995. The biggest recipients are the

leads to economic stagnation whether in Russia, where who you know is more important than what you make, or in Atlantic Canada, where all too often who you know is more important than what you make.

Government activity in Atlantic Canada "exacerbates market failure," O'Farrell wrote in his report of ACOA, "by cushioning profits via grants, subsidies and preferential purchasing thereby reducing the incentive to change."

"The heavy reliance on federal transfers has indirectly promoted a dependency culture," he continued. "The 'grantpreneur' mentality I have observed in other areas such as Northern Ireland appears to be widespread."

So why does government continue with such economically bankrupt policies? A combination of naiveté and cynicism propels ACOA forward.

ACOA gives a company a big grant or loan. The company tells ACOA it's created a hundred jobs because of the grant. The ACOA official naively believes this -- without any understanding of the economic consequences -- and leaves the offices satisfied ACOA has advanced the regional economy.

More cynically, ACOA is a political tool. Both the politicians, who reap credit for the ACOA subsidies, and the subsidized firms have a strong incentive to keep ACOA going. But this corrupts the whole political process.

"Corporate welfare undermines confidence in our democratic institutions," the Federation argues. "While portrayed as benign industrial policy, there is a growing

perception that government assistance to industry is little more than reciprocal payola for financial support at election time. Current funding scandals at HRDC [Human Resources Development Corporation] and EDC [Export Development Corporation] bear this out."

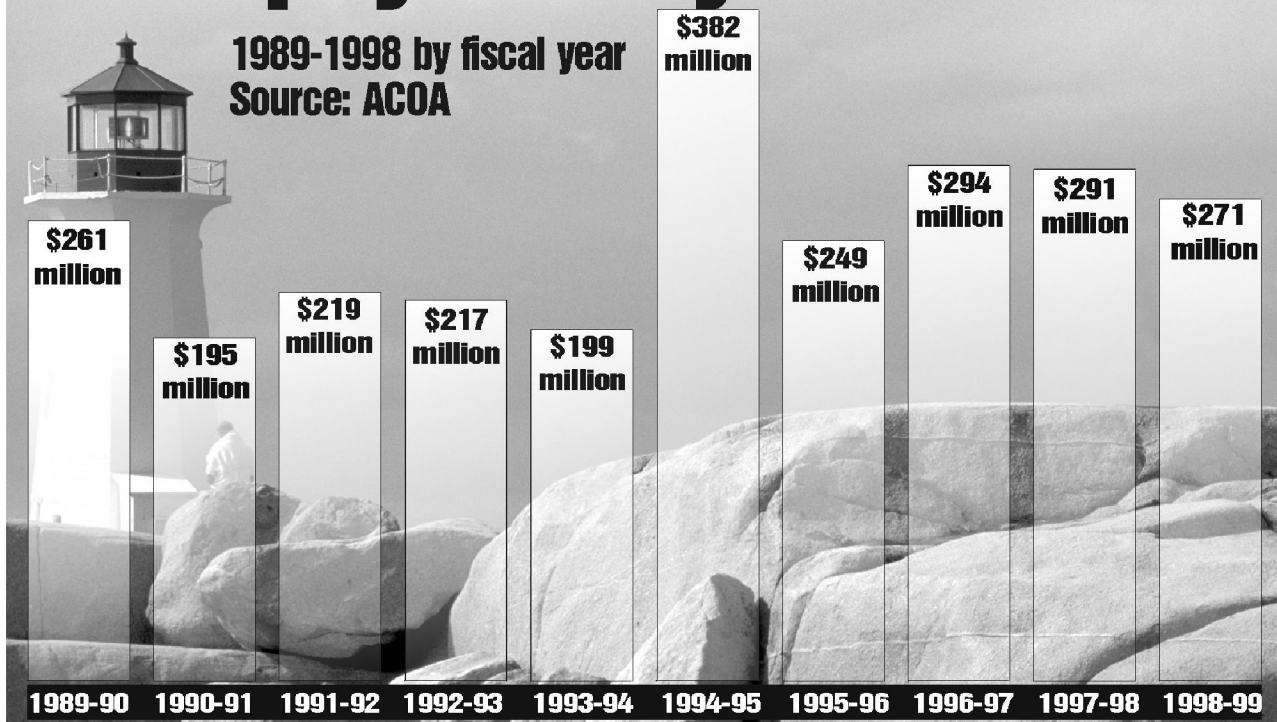
It's hardly a surprise that regional politicians leapt forward to defend ACOA and attack the Federation. But here's a question for ACOA defenders. If this model of economic development works, as you claim, then how come Atlantic Canada is not already the most prosperous place on earth?

Ontario and Alberta cut taxes, benefiting all companies and taxpayers regardless of politics. Their economies are booming. Atlantic Canada and British Columbia continue to extol the advantages of government-directed economic development, yet in both places the economy is underperforming.

Can't even ACOA defenders see the pattern here? ■

Total payouts by ACOA

1989-1998 by fiscal year
Source: ACOA



ACOA Handouts

The following is a breakdown of some of the grants, contributions and loans handed out by the Atlantic Canada Opportunities Agency over the past 10 years (from fiscal year 1989-90 to 1998-99). The following lists contain the name of the recipient, the project location, the total cost of the project, the type of subsidy (loan, contribution, grant), the purpose of the funding and the government subsidy.

ACOA Handouts: The Big Boys

Air Atlantic Ltd., St. John's, 233,750, Cont, Unknown ----- 122,719	Alliance of Manufacturers & Exporters - Nfld., St. John's, 104,000, Cont, Business Support ----- 37,000	Canadian Auto Workers Local 1162, Sydney Mines, 70,000, Cont, Business Support ----- 35,000
Air Nova Inc., Bedford, 199,925, Cont, Expansion/Modernization ----- 79,970	Alliance of Manufacturers & Exporters - Nfld., St. John's, 421,500, Cont, Mc Project Approval ----- 165,375	Canadian Council For Public/Private Partner- ships, Dartmouth, 2,575, Cont, Business Support ----- 1,288
Allied-Signal Canada Inc., Lot 17, 148,817, Cont, Innovation ----- 89,290	Alliance of Manufacturers & Exporters - Nfld., St. John's, 77,500, Cont, Mc Project Approval ----- 9,870	Canadian Manufacturers' Association, Moncton, 7,600, Cont, Business Support ----- 4,400
All. Of Manufacturers & Exporters, Atlantic Region, 132,000, Cont, Mc Project Approval ----- 84,000	Alliance of Manufacturers & Exporters - Nfld., St. John's, 118,425, Grant, Business Support ----- 30,925	Canadian Manufacturers' Association, Moncton, 19,500, Cont, Business Support ----- 8,804
All. of Manufacturers & Exporters - NB, Saint John, 16,500, Cont, Business Support 8,250	Alliance of Manufacturers & Exporters - Nfld., St. John's, 98,425, Grant, Business Support ----- 29,425	Canadian Manufacturers' Association, Moncton, 16,500, Cont, Business Support ----- 6,755
Alliance of Manufacturers & Exporters - NS, Halifax, 16,500, Cont, Business Support ----- 8,250	Alliance of Manufacturers & Exporters - Nfld., St. John's, 16,795, Cont, Mc Project Approval ----- 10,315	The Canadian Manufacturers' Association, Moncton, 16,875, Cont, Business Support ----- 4,410
Alliance of Manufacturers & Exporters - Nfld., St. John's, 54,722, Cont, Business Support ----- 27,361	Alliance of Manufacturers & Exporters - Nfld., St. John's, 228,030, Cont, Business Support ----- 50,000	The Canadian Manufacturers' Association, Moncton, 16,500, Cont, Business Support ----- 4,570
Alliance of Manufacturers & Exporters - Nfld., St. John's, 102,500, Grant, Business Support ----- 28,500	Alliance of Manufacturers & Exporters - Nfld., Newfoundland, 120,000, Cont, Mc Project Approval ----- 17,500	Canadian Manufacturing Association, St. John's, 71,000, Grant, Business Support ----- 26,500
Alliance of Manufacturers & Exporters - Nfld., St. John's, 127,000, Grant, Business Support ----- 20,000	Alliance of Manufacturers And Exporters, Ottawa, 46,000, Cont, Mc Project Approval ----- 32,312	Canadian Pacific Hotels Corporation, Charlottetown, 13,640, Cont, Expansion/ Modernization ----- 6,820
Alliance of Manufacturers & Exporters - Nfld., St. John's, 319,596, Cont, Marketing 116,056	Alliance of Manufacturers And Exporters, Ottawa, 85,631, Cont, Mc Project Approval ----- 74,000	Canadian Pacific Hotels Corporation, Charlottetown, 150,000, Cont, Expansion/ Modernization ----- 36,000
Alliance of Manufacturers & Exporters - Nfld., St. John's, 14,700, Cont, Business Support ----- 9,260	Andres Wines Atlantic Ltd., Truro, 75,888, Cont, Business Support ----- 31,114	Canadian Pacific Hotels Corporation, Charlottetown, 189,000, Cont, Expansion/ Modernization ----- 75,600
Alliance of Manufacturers & Exporters - Nfld., St. John's, 360,000, Cont, Business Support ----- 252,000	Andres Wines Atlantic Ltd., Truro, 1,74,000, Cont, Mc Project Approval ----- 21,238	Canadian Pacific Hotels Corporation, Charlottetown, 198,000, Cont, Expansion/ Modernization ----- 79,200
Alliance of Manufacturers & Exporters - Nfld., St. John's, 16,300, Cont, Mc Project Approval ----- 11,410	Banque Royale Du Canada, Edmundston, 29,960, Cont, Mc Project Approval ----- 4,692	Canadian Pacific Hotels Corporation, Charlottetown, 396,900, Cont, Expansion/ Modernization ----- 99,225
Alliance of Manufacturers & Exporters - Nfld., St. John's, 176,500, Cont, Business Support ----- 86,100	Bombardier Inc., Mirabel, 132,875, Cont, Unknown ----- 60,901	Can-West Maritimes Television Inc., Dartmouth, 876,400, Prov Rep, Business Support ----- 482,546
Alliance of Manufacturers & Exporters - Nfld., St. John's, 238,000, Cont, Business Support ----- 127,890	Bombardier Inc., Mirabel, 53,108, Cont, Unknown ----- 22,827	Can-West Maritimes Television Inc., Dartmouth, 643,495, Prov Rep, Business Support ----- 299,869
Alliance of Manufacturers & Exporters - Nfld., St. John's, 99,333, Cont, Business Support ----- 52,149	Bombardier Inc., Fredericton, 820,000, Repay, Expansion/Modernization ----- 447,500	Cavendish Farms (Division of Irving Pulp & Paper), Lot 19, 8,030, 180, Cont, Mc Project Approval ----- 5,621,126
Alliance of Manufacturers & Exporters - Nfld., St. John's, 120,000, Cont, Business Support ----- 42,000	Booz. Allen & Hamilton, Halifax, 149,760, Cont, H.R. Development (Hrd) ----- 74,880	Cavendish Farms (Division of Irving Pulp & Paper), Lot 19, 165,000, Cont, Innovation ----- 99,000
Alliance of Manufacturers & Exporters - Nfld., St. John's, 230,000, Cont, Mc Project Approval ----- 115,500	Canada Packers Inc., Summerside, 45,900, Cont, Expansion/Modernization ----- 34,425	Cavendish Farms (Division of Irving Pulp & Paper), Lot 49, 10,000, Cont, Expansion/ Modernization ----- 7,500
Alliance of Manufacturers & Exporters - Nfld., St. John's, 35,000, Cont, Mc Project Approval ----- 24,500	Canada Packers Inc. (Research Center), Shippagan, 3,120,500, Cont, Establishment ----- 1,103,800	Cavendish Farms (Division of Irving Pulp & Paper), Lot 19, 71,020, Cont, Mc Project Approval ----- 35,510
	Canada Steamship Lines Inc., Richmond, 89,700, Cont, Establishment ----- 67,275	
	Canadian Advanced Technology Assoc., Fredericton, 350,000, Cont, Business Support ----- 83,125	

THE TAXPAYER

Company name - Location - ACOA contribution - Type of subsidy - Purpose - Subsidy amount

Cavendish Farms (Division of Irving Pulp & Paper), 12,201, Cont, Innovation -----	9,151	Honeywell Prince Edward Island Facility, Summerside, 207,000, Cont, Mc Project Approval -----	105,000	Maritime Tel & Tel, Halifax, 40,000, Cont, Mc Project Approval -----	17,495
Cavendish Farms (Division of Irving Pulp & Paper), Lot 19, 2,500,000, Repay, Expansion/Modernization -----	714,000	Honeywell Prince Edward Island Facility, Summerside, 501,924, Cont, Mc Project Approval -----	106,101	Mccain Foods Ltd., O'leary, 3,400,000, Cont, Mc Project Approval -----	2,380,000
Coopers And Lybrand, Charlottetown, 5,000, Cont, Administration -----	5,000	Honeywell Prince Edward Island Facility, Summerside, 89,000, Cont, Marketing -----	44,500	New Brunswick Federation Of Labour, Fredericton, 50,205, Grant, Business Support -----	12,500
Council For Canadian Unity (The), St. John's, 650,000, Cont, Business Support -----	350,000	Honeywell Prince Edward Island Facility, Summerside, 38,440, Cont, Mc Project Approval -----	10,934	New Brunswick Federation Of Labour, Fredericton, 60,905, Cont, Business Support -----	12,285
Decima Research, Nova Scotia, 58,172, Cont, H.R. Development (Hrd) -----	29,086	Honeywell Prince Edward Island Facility, Summerside, 50,000, Repay, Expansion/Modernization -----	25,000	New Brunswick Teachers Association, Fredericton, 19,502, Cont, Business Support -----	5,727
Dew Engineering And Development Limited, Miramichi City, 1,900,000, Repay, Expansion/Modernization -----	850,000	Honeywell Prince Edward Island Facility, Summerside, 3,592,000, Repay, Productivity Improvement -----	685,000	New Brunswick Teachers Association, Fredericton, 6,114, Cont, Business Support -----	4,620
Discovery Network Inc., The, St. John's, 259,000, Cont, Innovation -----	168,000	Honeywell Prince Edward Island Facility, Summerside, 745,000, Repay, Expansion/Modernization -----	162,500	Newfoundland & Labrador Federation Of Labour, St. John's, 12,234, Cont, Business Support -----	7,708
Discovery Network Inc., The, St. John's, 35,000, Cont, Business Support -----	8,400	I.M.P. Aerospace Components Limited, Amherst, 18,225,000, Repay, Expansion/Modernization -----	5,177,500	Nfld. & Labrador Teamsters Union, Local 855, Mount Pearl, 64,743, Cont, Mc Project Approval -----	34,820
Discovery Network Inc., The, Gander, 34,380, Cont, Mc Project Approval -----	10,836	I.M.P. Aerospace Components Limited, Amherst, 176,382, Cont, Marketing -----	86,756	Nfld. & Labrador Teamsters Union, Local 855, St. John's, 116,141, Cont, Unknown -----	64,031
Discovery Network Inc., The, St. John's, 347,900, Cont, Mc Project Approval -----	93,905	I.M.P. Aerospace Components Limited, Amherst, 349,000, Repay, Innovation -----	131,536	Nova Scotia Teachers' Union, Sydney, 437,000, Cont, Business Support -----	10,500
Ditt (Hill & Knowlton), St. John's, 50,000, Cont, Business Support -----	50,000	I.M.P. Aerospace Components Ltd, Amherst, 130,000, Repay, Expansion/Modernization -----	52,000	Pei Federation Of Labour, Charlottetown, 274,000, Cont, Business Support -----	73,000
Dmr Group Inc., Halifax, 12,500, Cont, H.R. Development (Hrd) -----	12,500	I.M.P. Group Int'l Inc. And I.M.P. Group Limited, North Sydney, 700,000, Cont, Expansion/Modernization -----	150,000	Pollara Inc., Bathurst, 411,370, Cont, Expansion/Modernization -----	150,000
Dmr Group Inc., Fredericton, 15,000, Cont, Expansion/Modernization -----	7,500	I.M.P. Group Int'l Inc. And I.M.P. Group Limited, North Sydney, 190,000, Cont, Subsidies And Other -----	95,000	Pollara Inc., Bathurst, 188,800, Cont, Marketing -----	92,000
Dmr Group Inc., Saint John, 120,000, Cont, Marketing -----	40,001	I.M.P. Group Int'l Inc. & I.M.P. Group Ltd, North Sydney, 950,000, Loan, Establish -----	600,000	Pollara Inc., Bathurst, 248,970, Cont, Marketing -----	63,354
Dmr Group Inc., Saint John, 515,100, Cont, Expansion/Modernization -----	34,716	I.M.P. Group Int'l Inc. and I.M.P. Group Ltd, North Sydney, 6,100,000, Repay, Establishment -----	275,000	Pratt And Whitney Canada Incorporated, East Hants, 11,550, Cont, Innovation -----	8,663
Dmr Group Inc., Saint John, 63,859, Cont, Marketing -----	28,718	Ibm Canada Ltd., Charlottetown, 42, Cont, Mc Project Approval -----	29	Royal Oak Mines Inc., Div'n No. 3, Subd. I, 21,379,000, Prov Rep, Establishment -----	6,825,000
Domtar Gypsum Inc., Div'n No. 4, 533,400, Cont, Expansion/Modernization -----	266,700	Iron Ore Company Of Canada, Labrador City, 7,971,000, Prov Rep, Innovation -----	4,356,000	Salter Street Films Limited, Dartmouth, 133,000, Cont, Innovation -----	99,750
Domtar Inc., Truro, 396,000, Cont, Expansion/Modernization -----	79,200	Iron Ore Company Of Canada, Labrador City, 991,000, Cont, Unknown -----	340,725	Salter Street Films Limited, Halifax, 42,000, Cont, Mc Project Approval -----	14,049
Ffaw/Caw Fishermen's Resource Centres Inc., St. John's, 3,156,881, Cont, Business Support -----	2,841,193	Irving Environmental Services, Fredericton, 30,000, Cont, Innovation -----	15,000	Salter Street Films Limited, Halifax, 193,000, Repay, Expansion/Modernization -----	71,500
Ffaw/Caw Fishermen's Resource Centres Inc., Corner Brook, 274,885, Cont, Mc Prj App Related To Umbrella -----	219,908	Irving Pulp & Paper Limited, Saint John, 112,000, Cont, Innovation -----	67,200	Salter Street Films Limited & Salter Films Int'l, Halifax, 200,000, Cont, Marketing -----	98,750
Ffaw/Caw Fishermen's Resource Centres Inc., St. John's, 491,901, Cont, Business Support -----	368,926	Irving Pulp & Paper Limited, Lot 49, 19,151, Cont, Mc Project Approval -----	14,363	Sears Canada Inc., Halifax, 1,518,250, Cont, Mc Project Approval -----	559,033
General Dynamics Corp., Moncton, 36,551, Cont, Expansion/Modernization -----	10,248	Jean Coutu Group (Pjc) Inc., Newcastle, 272,664, Cont, Mc Project Approval -----	133,483	Standard Life Assurance Company, Moncton, 245,700, Cont, Mc Project Approval -----	122,850
Global Television Network, Halifax, 1,176,515, Prov Rep, Mc Project Approval -----	360,000	Keane Canada Inc., Halifax, 2,895,000, Cont, Mc Project Approval -----	1,529,398	Sunday Herald Limited, St. John's, 11,750, Cont, Expansion/Modernization -----	7,463
Global Television Network, Halifax County, 968,000, Prov Rep, Business Support -----	280,000	Kpmg Management Consulting, Halifax, 89,960, Cont, Business Support -----	89,960	Sunday Herald Limited, St. John's, 1,899,000, lbd, Expansion/Modernization -----	445,448
Hershey Canada Inc., Moirs Division, Dartmouth, 281,705, Cont, Innovation -----	150,000	Peat Marwick Stevenson & Kellogg, Halifax, 30,000, Cont, Unknown -----	21,000	Sunday Herald Limited, St. John's, 47,000, Cont, Expansion/Modernization -----	35,250
High Liner Foods Incorporated, Lunenburg, 600,000, Repay, Expansion/Modernization -----	150,000	Thorne Stevenson & Kellogg, Nova Scotia, 99,800, Cont, H.R. Development -----	49,900	Trenton Works Inc., Trenton, 20,000,000, Cont, Expansion/Modernization -----	52,057
Honeywell Prince Edward Island Facility, Summerside, 201,700, Cont, Marketing -----	99,975	Laidlaw Transit Ltd., Bathurst, 50,000, Cont, Establishment -----	25,000	Trenton Works Inc., Trenton, 20,000,000, Cont, Expansion/Modernization -----	110,250
Honeywell Prince Edward Island Facility, Summerside, 290,700, Cont, Marketing -----	44,500			Trenton Works Inc., Trenton, 20,000,000, Cont, Expansion/Modernization -----	5,577

Company name - Location - ACOA contribution - Type of subsidy - Purpose - Subsidy amount

Trenton Works Inc., Trenton, 50,666, Cont,
Business Support ----- 15,282
Trenton Works Inc., Trenton, 35,600, Cont,
Marketing ----- 17,800
Trenton Works Inc., Trenton, 20,000, 000, Cont,
Expansion/Modernization ----- 227,700
Trenton Works Inc., Trenton, 20,000,000, Cont,
Expansion/Modernization ----- 18,096
Trenton Works Inc., Trenton, 20,000,000, Cont,
Expansion/Modernization ----- 13,737
Trenton Works Inc., Trenton, 20,000,000, Cont,
Expansion/Modernization ----- 81,574
Trenton Works Inc., Trenton, 20,000,000, Cont,
Expansion/Modernization ----- 49,243

Trenton Works Inc., Trenton, 20,000,000, Cont,
Expansion/Modernization ----- 13,390
Trenton Works Inc., Trenton, 129,874, Prov
Rep, Marketing ----- 97,406
Trentonworks Limited, Trenton, 95,043, Prov
Rep, Innovation ----- 71,282
Trentonworks Limited, Trenton, 348,148, Prov
Rep, Innovation ----- 208,889
Trentonworks Limited, Trenton, 800,000,
Repay, Expansion/Modernization --- 212,000
United Broth'd Of Carpenters & Joiners-America
13, Fredericton, 45,000, Cont, Business
Support ----- 22,164

United Broth'd Of Carpenters & Joiners Of
America, St. John's, 26,778, Cont --- 24,100
Valleyfield Tobacco Ltd., Montague, 9,800,
Cont, Expansion/Modernization ----- 4,900
Valleyfield Tobacco Ltd., Montague, 44,185,
Cont, Establishment ----- 22,093
Valleyfield Tobacco Ltd., Lot 59, 42,182, Cont,
Establishment ----- 16,770
Westinghouse Canada Inc., Div'n No.10, Subd.
D, 370,000, Repay, Establishment --- 92,500
Westinghouse Canada Inc., Moncton, 26,500,
Cont, Expansion/Modernization ----- 13,250
Westinghouse Canada Inc. Services Division,
Moncton, 19,500, Cont, Innovation ----- 9,750

ACOA Handouts: Living the Good Life

AIAC Conference:Hospitality Suite, Halifax,
2,898, Cont, Business Support ----- 2,029
AIAC Conference:Hospitality Suite, Halifax,
6,255, Cont, Business Support ----- 4,378
Alberton Curling Club, Alberton, 12,877, Cont,
Mc Project Approval ----- 6,438
Aroostook Trails Snowmobile Club Inc., Perth-
Andover, 130,516, Cont, Expansion/
Modernization ----- 36,847
Atlantic Canada Cruise Association, Halifax,
833,000, Cont, Business Support --- 499,800
Atlantic Ski Areas Association, Windsor,
185,400, Cont, Business Support --- 83,154
Atlantic Ski Areas Association, Windsor,
259,205, Cont, Business Support --- 45,000
Baie Ste Anne Snowmobile & Gun Club,
Hardwicke, 124,928, Cont, Business
Support ----- 37,478
Bathurst Golf Association Limited, Bathurst,
720,000, Cont, Expansion/
Modernization ----- 108,000
Bathurst Golf Association Limited, Bathurst,
720,000, Ibd, Expansion/
Modernization ----- 24,169
Bay Of Islands Yacht Club, Division No. 5,
Subd. D, 900,000, Cont, Business
Support ----- 300,000
Bell Bay Golf Developments Incorporated,
Victoria, Subd. B, 7, 235,000, Repay,
Establishment ----- 640,000
Boucliche Snowmobile Club Inc., Boucliche,
94,720, Cont, Business Support ----- 27,579
Bras D'or Golf And Recreation Association,
Cape Breton, Subd. B, 36,000, Cont,
Establishment ----- 18,000
Burlington Go-Karts Ltd., Lot 20, 15,000, Cont,
Expansion/Modernization ----- 3,600
Burlington Go-Karts Ltd., Lot 20,68,500, Cont,
Expansion/Modernization ----- 16,440
Burlington Go-Karts Ltd., Kensington, 49,740,
Cont, Expansion/Modernization ----- 19,896
Cabana Insight Travel Limited, Halifax, 75,000,
Cont, Marketing ----- 37,000
Cabana Insight Travel Limited, Halifax,
106,689, Cont, Marketing ----- 23,695

Canadian Caviar Company Inc., Saint John,
30,503, Repay, Innovation ----- 14,223
Canadian Caviar Company Inc., Saint John,
1,003,653, Prov Rep, Innovation --- 100,000
Cape Breton Rickshaws Limited, Sydney,
20,000, Repay, Establishment ----- 8,750
Cape Breton Ski Club, Cape Breton, Subd. B,
101,655, Cont, Business Support --- 56,326
Carleton Borderview Trailmakers Snowmobile
Club, Centreville, 63,227, Cont, Business
Support ----- 17,850
Chaleur Snowmobile Club Inc., Beresford,
136,837, Cont, Business Support --- 42,472
Chaleur Snowmobile Club Inc., Beresford,
130,000, Cont, Business Support --- 38,838
Charlottetown Fastball Assoc, Charlottetown,
730,900, Cont, Mc Project Approval 124,950
Charlottetown Yacht Club Limited,
Charlottetown, 9,000, Cont, Business
Support ----- 3,250
Charlottetown Yacht Club Limited,
Charlottetown, 498,776, Cont, Business
Support ----- 154,808
Churchill River Boat Tours Inc., H.B56+B73
Valley-Goose Bay, 30,000, Cont,
Establishment ----- 15,000
Clovell Golf Course Inc., St. John's,
10,406,787, Repay, Mc Project
Approval ----- 1,050,000
Club De Motoneige De Kedgwick Inc.,
Kedgwick, 38,000, Cont, Business
Support ----- 11,282
Club De Motoneige De Kedgwick Inc.,
Kedgwick, 125,000, Cont, Business
Support ----- 28,500
Club De Motoneige De Saint-Quentin Inc., Saint-
Quentin, 113,200, Cont, Business
Support ----- 42,611
Club De Motoneige La Grande Rivière Inc.,
Tracadie, 85,714, Cont, Expansion/
Modernization ----- 25,714
Club Des Montagnes Inc., Addington, 128,865,
Cont, Business Support ----- 37,521
Club Des Motoneigistes Du Nord (1992) Inc.,
Saint-Joseph, 118,984, Cont, Expansion/
Modernization ----- 40,000

Club Des Motoneigistes Du Nord (1992) Inc.,
Saint-Quentin, 132,628, Cont, Business
Support ----- 39,788
Club Motoneige De Paquetville Inc., Paquetville,
111,762, Cont, Business Support --- 38,070
Club Motoneige De Rogersville Inc.,
Rogersville, 102,736, Cont, Business
Support ----- 30,821
Club Motoneige Nordest Inc., Caraquet,
149,013, Cont, Expansion/
Modernization ----- 44,704
Club Motoneige Trois Étoiles Inc., Sainte-Anne-
De-Madawaska, 84,000, Cont, Expansion/
Modernization ----- 22,200
Clyde River Golf Club Inc., Cornwall, 143,750,
Cont, Establishment ----- 57,500
Clyde River Golf Club Inc., Lot 31, 21,450,
Cont, Expansion/Modernization ----- 8,580
Confederation Golf Inc., Cardigan, 2,370,000,
Repay, Mc Project Approval ----- 1,000,000
Corner Brook Triathlon Committee Inc., Corner
Brook, 117,548, Cont, Business
Support ----- 59,248
Corner Brook Triathlon Committee Inc., Corner
Brook, 532,498, Cont, Business
Support ----- 291,837
Cornwall United Church, Cornwall, 4,100, Cont,
Mc Project Approval ----- 1,260
Cruise Newfoundland & Labrador Association,
St. John's, 73,500, Cont, Business
Support ----- 7,875
Cruiseship Authority Of Newfoundland And
Labrador, St. John's, 1,200,000, Cont, Mc
Project Approval ----- 420,000
Cumberland Snowmobile Club, Cumberland,
Subd. A, 180,000, Cont, Business
Support ----- 60,000
Dobson Yacht Club, Cape Breton, Subd. A,
12,000, Cont, Business Support ----- 6,000
Dobson Yacht Club, Cape Breton, Subd. A,
100,000, Cont, Business Support --- 50,000
Duckey's Home Brew Inc., St. John's, 36,426,
Cont, Establishment ----- 17,280
Duckey's Home Brew Inc., St. John's, 19,620,
Cont, Marketing ----- 8,810

THE TAXPAYER

Company name - Location - ACOA contribution - Type of subsidy - Purpose - Subsidy amount

Duckey's Home Brew Inc., Goulds, 62,400, Cont, Marketing ----- 31,200	Horse Holidays Newfoundland Limited, Grand Falls, 56,010, Cont, Expansion/ Modernization ----- 21,194	Music Industry Assoc.Of Nfld. And Labrador, St. John's, 11,500, Cont, Mc Project Approval ----- 9,200
Duckey's Home Brew Inc., St. John's, 110,000, Repay, Expansion/Modernization ---- 44,000	Itac Reception, Halifax, 2,479, Cont, Business Support ----- 1,735	Music Industry Assoc.Of Nfld. And Labrador, Corner Brook, 11,520, Grant, Business Support ----- 1,515
Fishing Buddies Unlimited, Division No. 1, Subd. W, 12,975, Cont, Marketing ---- 9,731	Kings County Golf Inc., Lot 52, 196,000, Cont, Business Support ----- 40,500	Music Industry Association Of Nova Scotia, Halifax, 20,000, Cont, Business Support ----- 10,000
Fly Fishers Federation, Charlottetown, 1,072, Cont, Unknown ----- 750	Kings County Golf Inc., Lot 52, 197,000, Cont, Marketing ----- 32,200	Music Industry Association Of Nova Scotia, Halifax, 11,118, Cont, Business Support ----- 2,533
Fly Fishers Federation, Charlottetown, 1,200, Cont, Unknown ----- 1,200	Labrador Angling Adventures Ltd, Clarenville, 54,510, Cont, Establishment ----- 27,255	Music Industry Association Of Nova Scotia, Halifax, 265,000, Cont, Business Support ----- 185,500
Fortune Cove Cottage Owners Ass'n., Lot 5, 21,000, Cont, Unknown ----- 1,875	Labrador Angling Adventures Limited, Clarenville, 15,440, Cont, Marketing --- 4,025	N.B. Federation Of Snowmobile Clubs, Newcastle, 1,719,567, Cont, Business Support ----- 212,249
Fredericton Boat Club, Fredericton, 30,000, Cont, Mc Project Approval ----- 10,000	Labrador Angling Adventures Limited, Division No. 10, Subd. C, 18,910, Cont, Expansion/ Modernization ----- 12,292	N.B. Federation Of Snowmobile Clubs, New Brunswick, 142,856, Cont, Business Support ----- 42,856
Fredericton Snowmobile Club Inc., Fredericton 128,000, Cont, Expansion/ Modernization ----- 38,400	Labrador Angling Adventures Limited, Clarenville, 3,800, Cont, Marketing --- 2,470	Nelson Snowmobile Club Inc., Nelson- Miramichi, 95,000, Cont, Business Support ----- 24,585
Fundy High Tennis Club, St. George, 127,000, Cont, Mc Project Approval ----- 42,333	Labrador Angling Adventures Ltd, Division No. 10, 28,850, Cont, Marketing ----- 14,426	New Brunswick Music Industries Association, Fredericton, 25,400, Cont, Business Support ----- 11,654
Fundy Trail Riders A.T.V. And Snowmobile Club Inc., Saint John, 111,000, Cont, Business Support ----- 26,574	Labrador Angling Adventures Limited, Division No. 10, Subd. C, 9,731, Cont, Expansion/ Modernization ----- 3,745	Nfld. & Labrador Film Development Corporation, St. John's, 14,190, Cont, Mc Project Approval ----- 9,933
Fundy Trail Snowmobile And Recreation Club, Colchester, Subd. A, 165,400, Cont, Business Support ----- 55,133	Lake George Snowmobile Club Inc., Prince William, 1, 126, 551, Cont, Business Support ----- 37,965	Nfld. & Labrador Film Development Corporation, St. John's, 1,400,000, Cont, Mc Project Approval ----- 455,000
Fundy Weir Fishermens Association Inc., St. Andrews, 524,750, Cont, Business Support ----- 196,154	Lakeside Golf & Country Club Ltd., Cap-Pele, 6,000, Cont, Expansion/Modernization 3,000	Newfoundland & Labrador Sailing Association, Conception Bay South, 74,750, Cont, Business Support ----- 37,375
Gander Golf Club Incorporated, Gander, 1,250,000, Cont, Mc Project Approval ----- 990,000	Mad-Vic Snowmobile Trail Association Inc., Grand Falls, 125,451, Cont, Expansion/ Modernization ----- 35,418	Newfoundland & Labrador Snowmobile Federation, Deer Lake, 6,008,000, Cont, Business Support ----- 2,916,805
Glen Afton Golf Club Inc., Lot 65, 62,360, Cont, Expansion/Modernization ----- 14,966	Menihok Nordic Ski Club, Labrador City, 160,000, Cont, Expansion/ Modernization ----- 80,000	North Shore Snowmobile Club Inc., Durham, 121,270, Cont, Business Support ---- 36,381
Glen Afton Golf Club Inc., Lot 65, 29,400, Cont, Expansion/Modernization ----- 8,820	Minilinks 2 Indoor Golf Incorporated, Wolfville, 90,000, Cont, Establishment ----- 32,000	Nova Scotia Film Development Corp, Halifax, 70,000, Cont, Business Support ----- 49,000
Glen Afton Golf Club Inc., Lot 65, 72,244, Cont, Expansion/Modernization ----- 27,858	Miramichi Valley Snowmobile Club Inc., Newcastle, 130,647, Cont, Business Support ----- 39,194	Nova Scotia Film Development Corporation, Halifax, 864,000, Cont, Business Support ----- 302,400
Golf Atlantic Canada, Halifax, 1, 437,000, Cont, Business Support ----- 1,077,750	Miramichi Valley Snowmobile Club Inc., Miramichi City, 167,517, Cont, Business Support ----- 40,000	Nova Scotia Film Development Corporation, Halifax, 60,000, Cont, Business Support ----- 42,719
Golf Hole Promotions Inc., Fredericton, 54,000, Cont, Expansion/Modernization ----- 21,600	Mobile Home, Travel Trailer & Park Assoc. of NS, Halifax, Subd. D, 34,600, Cont, Business Support ----- 9,300	Oromocto River Valley Snowmobile Club Inc., Tracy, 31,625, Cont, Expansion/ Modernization ----- 9,488
Goshen Leisure Park Association, St. Mary's, 49,650, Cont, Business Support ----- 24,825	Music Industry Assoc. of Nfld. And Labrador, St. John's, 31,000, Grant, Business Support ----- 5,000	Oromocto River Valley Snowmobile Club Inc., Oromocto, 41,975, Cont, Business Support ----- 12,593
Goshen Snowmobile Club, Inc., Cardwell, 53,500, Cont, Business Support ----- 16,050	Music Industry Assoc. of Nfld. And Labrador, St. John's, 51,200, Grant, Business Support ----- 25,600	P.E.I. Federation Of Fly Fishers, Lot 30, 9,419, Cont, Business Support ----- 2,700
Goshen Snowmobile Club, Inc., Sussex, 104,380, Cont, Business Support ---- 31,314	Music Industry Assoc. of Nfld. And Labrador, St. John's, 26,045, Grant, Business Support ----- 11,335	P.E.I. Federation Of Fly Fishers, Charlottetown, 3,775, Cont, Business Support ----- 1,121
Grand Falls Golf Club, Grand Falls, 25,000, Cont, Business Support ----- 12,500	Music Industry Assoc. of Nfld. And Labrador, St. John's, 77,520, Cont, Mc Project Approval ----- 62,016	P.E.I. Federation Of Fly Fishers, Lot 30, 1,200, Cont, Business Support ----- 600
Grand Falls Golf Club, Grand Falls, 1, 143,750, Cont, Mc Project Approval ----- 893,750	Music Industry Assoc. of Nfld. And Labrador, St. John's, 18,850, Cont, Mc Project Approval ----- 15,080	P.E.I. Fly Fisher's Association, Charlottetown, 47,800, Cont, Unknown ----- 17,125
Grand Falls Golf Club Inc., Grand Falls, 55,306, Cont, Mc Project Approval ----- 18,435	Music Industry Assoc. of Nfld. & Labrador, St. John's, 1,000, Cont, Mc Proj Approval - 800	P.E.I. Fly Fisher's Association, Charlottetown, 4,200, Cont, Unknown ----- 3,000
Grand Falls Sporting Club, Grand Falls, 6,000, Cont, Mc Project Approval ----- 2,000	Music Industry Assoc of Nfld. And Labrador, Newfoundland, 60,000, Cont, Mc Project Approval ----- 33,600	
Grande Meadows Golf Course Association Inc., Frenchman's Cove, 758,362, Cont, Business Support ----- 500,000		
Harmon Golf And Country Club, Stephenville, 1,000,000, Cont, Mc Project Approval ----- 750,000		
Horse Holidays Newfoundland Limited, Grand Falls, 199,900, Cont, Establishment - 89,650		
Horse Holidays Newfoundland Limited, Grand Falls, 199,900, Ibd, Establishment ---- 16,129		

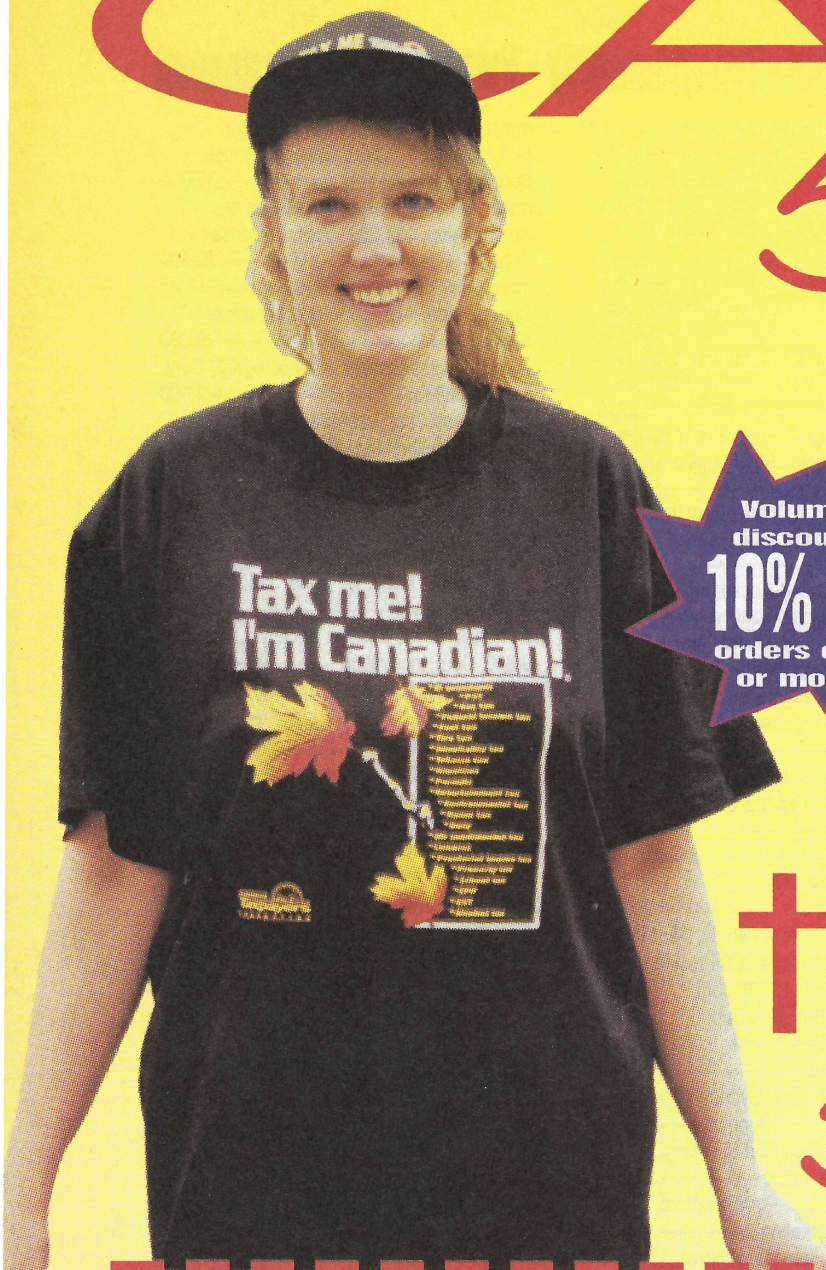
THE TAXPAYER

Company name - Location - ACOA contribution - Type of subsidy - Purpose - Subsidy amount

P.E.I. Fly Fisher's Association, Charlottetown, 7,851, Cont, Unknown ----- 7,850	Royal Cape Breton Yacht Club, Sydney, 5,000, Cont, Business Support ----- 3,750	Summerside Sail & Power Boat Regatta, Summerside, 171,550, Grant, Business Support ----- 35,000
P.E.I. Fly Fisher's Association, Charlottetown, 7,850, Cont, Unknown ----- 7,850	Royal Kennebecasis Yacht Club, Saint John, 64,650, Cont, Business Support ----- 10,000	Summerside Sail & Power Boat Regatta, Summerside, 165,200, Cont, Business Support ----- 50,400
P.E.I. Fly Fisher's Association, Charlottetown, 40,640, Cont, Unknown ----- 20,120	Royal Shediac Golf & Country Resort Ltd., Shediac, 259,930, Cont, Establishment ----- 129,965	Summerside Sail & Power Boat Regatta, Summerside, 142,731, Grant, Business Support ----- 5,000
P.E.I. Fly Fisher's Association, Charlottetown, 20,634, Cont, Unknown ----- 5,820	Sable River View Cottages, Shelburne, 92,902, Cont, Expansion/Modernization ----- 46,451	Tamarack Cycles Limited, Halifax, 6,000, Cont, Expansion/Modernization ----- 2,400
P.E.I. Fly Fisher's Association, Charlottetown, 11,738, Cont, Unknown ----- 5,549	Saltwater Sportfishing & Charter Boat Industry Develop, Halifax, 250,000, Cont, Business Support ----- 53,715	Tamarack Golf Club, Labrador City, 143,013, Cont, Expansion/Modernization ----- 42,904
P.E.I. Fly Fisher's Association, Lot 52, 46,383, Cont, Unknown ----- 5,000	Saltwater Sportfishing & Charter Boat Industry Develop, Nova Scotia, 633,000, Cont, Business Support ----- 140,000	The Board Of Directors Of The Atlantic Winter Fair, Halifax, Subd. D, 14,500, Cont, Business Support ----- 7,250
P.E.I. Flying Association Inc., Charlottetown, 330,000, Cont, Business Support --- 165,000	Saltwater Sportfishing & Charter Boat Industry Develop, Nova Scotia, 3,303, Cont, Business Support ----- 2,260	The Board Of Directors Of The Atlantic Winter Fair, Halifax, Subd. B, 1,659, 115, Cont, Mc Project Approval ----- 200,000
P.E.I. Flying Association Inc., Charlottetown, 330,000, Cont, Mc Project Approval - 52,500	Seaside Cottages Limited, Lockeport, 165,000, Cont, Expansion/Modernization ----- 78,100	The Friends Of Hank Snow Society, Liverpool, 9,850, Cont, Innovation ----- 8,865
P.E.I. Snowmobile Assoc Inc., Charlottetown, 83,100, Cont, Business Support ----- 41,550	Ski Blue Mountain Inc., Perth-Andover, 67,520, Cont, Business Support ----- 33,760	The Friends Of Hank Snow Society, Liverpool, 12,000, Cont, Business Support ----- 6,000
P.E.I. Snowmobile Assoc Inc., Charlottetown, 310,000, Cont, Business Support --- 155,000	Sleepy Hollow Cottages Limited, Victoria, Subd. A, 31,050, Cont, Expansion/Modernization ----- 12,420	Union Road Angling Club, Lot 51, 6,202, Cont, Business Support ----- 1,656
Parson Bros. Hunting & Fishing Camps, Digby, 3,720, Cont, Marketing ----- 1,860	Sleepy Hollow Cottages Limited, Victoria, Subd. B, 55,000, Repay, Expansion/Modernization ----- 27,500	Upper Humber Golf Club Inc., Deer Lake, 27,000, Cont, Strategic Projects ----- 13,500
Parson Bros. Hunting & Fishing Camps, Annapolis, 8,235, Cont, Marketing ----- 3,905	Snowmobile Club St-Antoine Inc., Moncton, 99,078, Cont, Expansion/Modernization ----- 26,723	Upper Humber Golf Club Inc., Deer Lake, 1,000, 000, Cont, Business Support ----- 500,000
Placentia Rowing Club, Placentia, 58,850, Cont, Innovation ----- 30,897	Society For Canoe Championships, Dartmouth, 2,050, 000, Grant, Business Support 971,500	Up-River Snowmobile Club Ltd., Weldford, 72,925, Cont, Business Support ----- 21,877
Prince County Fed.'N Of Fly Fishers Ltd., St. Eleanors, 35,000, Cont, Unknown --- 11,000	Softball Newfoundland Inc., St. John's, 1,181,000, Cont, Business Support 500,000	Victoria County Snowmobile Club Inc., Denmark, 156,395, Cont, Business Support ----- 40,006
Prince County Fed.'N Of Fly Fishers Ltd., O'leary, 4,000, Cont, Unknown ----- 4,000	Souris Striders Ski Club, Souris, 8,000, Cont, Mc Project Approval ----- 8,000	Vince Ryan Memorial Oldtimers Hockey Tournament, Glace Bay, 54,300, Cont, Business Support ----- 40,725
Prince County Fed.'N Of Fly Fishers Ltd., Summerside, 8,032, Cont, Unknown --- 2,666	Speed Skate Nova Scotia, Sydney Mines, 33,000, Cont, Business Support ----- 3,750	Visual Artists Newfoundland And Labrador Inc., St. John's, 26,753, Cont, Mc Project Approval ----- 21,402
Prince County Fed.'N Of Fly Fishers Ltd., St. Eleanors, 3,000, Cont, Unknown ----- 2,000	Sports Villas Resort, Inc., Port Blandford, 114,000, Cont, Marketing ----- 57,000	Visual Artists Newfoundland And Labrador Inc., St. John's, 5,609, Cont, Mc Project Approval ----- 4,488
Prince County Fed.'N Of Fly Fishers Ltd., St. Eleanors, 8,278, Cont, Unknown ----- 4,800	Sports Villas Resort, Inc., Port Blandford, 105,518, Cont, Marketing ----- 52,759	Visual Artists Newfoundland And Labrador Inc., St. John's, 35,885, Cont, Mc Project Approval ----- 22,608
Prince County Fed.'N Of Fly Fishers Ltd., St. Eleanors, 36,999, Cont, Unknown ----- 4,100	Sports Villas Resort, Inc., Terra Nova, 137,800, Cont, Marketing ----- 38,400	West Lake Ainslie Cottages & Campgrounds, Inverness, Subd. B, 24,000, Cont, Marketing ----- 12,000
Prince County Fed.'N Of Fly Fishers Ltd., Summerside, 3,740, Cont, Unknown --- 2,000	Sports Villas Resort, Inc., Port Blandford, 395,000 Cont, Expansion/Modernization ----- 98,750	West Lake Ainslie Cottages & Campgrounds, Inverness, Subd. B, 40,000, Cont, Establishment ----- 10,650
Prince County Fed.'N Of Fly Fishers Ltd., Wilmot, 39,222, Cont, Unknown ----- 7,875	Sports Villas Resort, Inc., Port Blandford, 185,000, Cont, Expansion/Modernization ----- 74,000	Wet And Wild Watercraft Rentals Ltd., Division No. 8, Subd. L, 41,862, Cont, Establishment ----- 18,636
Prince County Fed.'N Of Fly Fishers Ltd., Wilmot, 35,000, Cont, Unknown ----- 20,000	Sports Villas Resort, Inc., Port Blandford, 1,845, 000, Repay, Mc Project Approval -- 500,000	White Wolf Snowmobile Club Corporation, Labrador City, 297,902, Cont, Mc Project Approval ----- 199,200
Prince County Fed.'N Of Fly Fishers Ltd., Summerside, 16,931, Cont, Business Support ----- 3,574	St. Peters Recreational Fisheries Assoc., St. Peters, 3,183, Cont, Unknown ----- 901	Woodstock Trailmakers Snowmobile Association, Woodstock, 115,000, Cont, Business Support ----- 57,500
Prince Edward Island Sailing Assoc, Charlottetown, 50,000, Cont, Mc Project Approval ----- 50,000	St. Peters Recreational Fisheries Assoc., St. Peters, 3,600, Cont, Unknown ----- 1,400	Woodstock Trailmakers Snowmobile Association, Woodstock, 105,115, Cont, Business Support ----- 26,279
Putt 'N' Paddle Campgrounds Ltd., Division No. 1, Subd. A, 84,848, Cont, Establishment ----- 35,134	St. Peters Recreational Fisheries Assoc., St. Peters, 17,100, Cont, Unknown ----- 9,800	
Rexton Snowmobile Club Inc., Rexton, 72,000, Cont, Expansion/Modernization ----- 16,151	St. Peters Recreational Fisheries Assoc., St. Peters, 8,764, Cont, Unknown ----- 1,962	
River Valley Snowmobile Club Inc., Florenceville, 20,000, Cont, Expansion/Modernization ----- 6,000	Summerside Sail & Power Boat Regatta, Summerside, 39,500, Cont, Expansion/Modernization ----- 11,850	
Riverland Campground And R.V. Park, East Hants, 69,095, Cont, Expansion/Modernization ----- 27,638		
Rocky Bay Athletic Club, Richmond, Subd. C, 145,000, Cont, Mc Project Approval - 48,333		
Royal Cape Breton Yacht Club, Sydney, 123,000, Cont, Business Support ----- 61,500		

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